



Fiscal Agency Agreement

State of Montenegro (represented by the Government of Montenegro, acting by and through its Ministry of Finance)

as Issuer

and

Citibank, N.A., London Branch

as Fiscal Agent

and

Citigroup Global Markets Europe AG

as Registrar

and

Citibank, N.A., London Branch

as Paying Agent and Transfer Agent

relating to EUR 500,000,000 2.550 per cent.
Notes due 2029

3 October 2019

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THIS AGREEMENT is made on 3 October 2019

BETWEEN:

- (1) **STATE OF MONTENEGRO (REPRESENTED BY THE GOVERNMENT OF MONTENEGRO, ACTING BY AND THROUGH ITS MINISTRY OF FINANCE)** (the "**Issuer**");
- (2) **CITIBANK, N.A., LONDON BRANCH** as fiscal agent (the "**Fiscal Agent**");
- (3) **CITIGROUP GLOBAL MARKETS EUROPE AG** as registrar (the "**Registrar**"); and
- (4) **CITIBANK, N.A., LONDON BRANCH** as paying agent (the "**Paying Agent**") and as transfer agent (the "**Transfer Agent**") and, together with the Fiscal Agent and the Registrar, the "**Agents**" and each an "**Agent**".

RECITALS:

- (A) The Issuer has agreed to issue EUR 500,000,000 2.550 per cent. Notes due 2029 (the "**Notes**" which expression shall include, unless the context otherwise requires, the Global Notes (as defined below) and any further Notes issued pursuant to Condition 18 (*Further Issues*) and forming a single series with the Notes).
- (B) The Notes will be issued in registered form in the denomination of EUR 100,000 and in integral multiples of EUR 1,000 in excess thereof each without coupons attached on issue.
- (C) The Notes will be offered and sold outside the United States in reliance on Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") (such Notes so offered and sold, the "**Unrestricted Notes**"), and within the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) in reliance on Rule 144A (such Notes so offered and sold, the "**Restricted Notes**").
- (D) The Unrestricted Notes will initially be evidenced by an unrestricted global note without interest coupons attached (the "**Unrestricted Global Note**") and the Restricted Notes will initially be evidenced by a restricted global note without interest coupons attached (the "**Restricted Global Note**" and, together with the Unrestricted Global Note, the "**Global Notes**") in or substantially in the form set out in the Schedules hereto.
- (E) The Issuer wishes to appoint the Registrar as registrar, the Paying Agent and Transfer Agent as its paying agent and transfer agent, respectively, and the Fiscal Agent as its fiscal agent in respect of the Notes and has entered into this Agreement to provide for the terms and conditions of such appointments.

THE PARTIES AGREE AS FOLLOWS:

1. **INTERPRETATION**

- 1.1 Words and expressions defined in the Conditions and not otherwise defined in this Agreement shall have the same meanings when used in this Agreement.
- 1.2 References in this Agreement to principal of and/or interest on the Notes shall include any additional amounts payable pursuant to Condition 10 (*Taxation*).

2. **DEFINITIONS**

- 2.1 As used in this Agreement and in the Conditions:

"Clearstream, Luxembourg" means Clearstream Banking, S.A.;

"Common Depository" means a depository common to (and appointed by) Euroclear and Clearstream, Luxembourg;

"Conditions" means the terms and conditions as set out in Schedule 3 as modified, with respect to any Notes represented by a Global Note, by the provisions of such Global Note and any reference to a particularly numbered Condition shall be construed accordingly;

"Direct Rights" has the meaning given in Annex 3 of Part A of Schedule 2 and Annex 3 of Part B of Schedule 2;

"Euroclear" means Euroclear Bank SA/NV;

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended;

"Extraordinary Resolution" has the meaning set out in the Conditions;

"Fiscal Agent", "Registrar", "Transfer Agent", "Paying Agent", and "Agents" mean and include each fiscal agent, registrar, transfer agent, paying agent and agent from time to time appointed to exercise the powers and undertake the duties conferred and imposed upon it by this Agreement and notified to the Noteholders in accordance with Condition 17 (*Notices*);

"Managers" means Banca IMI S.p.A., London Branch, Citigroup Global Markets Limited, Erste Group Bank AG and Société Générale;

"Note Certificates" means the Restricted Note Certificates and the Unrestricted Note Certificates and includes replacement Note Certificates issued pursuant to Condition 13 (*Replacement of Notes*);

"outstanding" in relation to any Note means all Notes issued other than (a) those that have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid to the Fiscal Agent as provided in this Agreement, and remain available for payment against presentation and surrender of Notes or Note Certificates, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Note has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Issuer has previously satisfied its obligations to make all payments due in respect of the Note in accordance with its terms as provided in the Conditions; provided that, for the purposes of (1) ascertaining the right to attend and vote at any meeting of Noteholders, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution, and (2) the determination of how many Notes are outstanding for the purposes of Conditions 12 (*Events of Default*), 14 (*Meetings of Noteholders; Written Resolutions*), 15 (*Aggregation Agent; Aggregation Procedures*) and 16 (*Noteholders' Committee*) and Schedule 3, those Notes that are beneficially held by the Issuer, by a department, ministry or agency of the Issuer, or by a corporation, trust or other legal entity that is controlled by the Issuer or a department, ministry or agency of the Issuer (and, in the case of a Note held by any such above-mentioned corporation, trust or other legal entity, the holder of the Note does not have autonomy of decision) all as more particularly set out in Condition 14(i) (*Notes controlled by the Issuer*) and not cancelled shall (unless and until ceasing to be so held) be disregarded and be deemed not to be outstanding;

"Register" means the register for the Notes maintained by the Registrar;

"Restricted Note Certificate" means any registered note certificate in individual, definitive, fully registered form, substantially in the form set out in Part B of Schedule 1;

"Securities Act Legend" means the transfer restriction legend set out on the Restricted Global Note and the Restricted Note Certificate;

"Specified Office" means, in relation to any Agent, the office specified against its name in Clause 22 or such other office in the same city as such Agent may specify by notice to the Issuer and (in the case of an Agent other than the Fiscal Agent) the Fiscal Agent;

"Unrestricted Note Certificate" means any registered note certificate in individual, definitive, fully registered form, substantially in the form set out in Part A of Schedule 1; and

"Written Resolution" has the meaning set out in the Conditions.

2.2 **Contracts (Rights of Third Parties) Act 1999**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

2.3 **Alternative Clearing System**

References in this Agreement to Euroclear and/or Clearstream, Luxembourg shall, wherever the context so permits, be deemed to include reference to any additional or alternative clearing system approved by the Issuer and the Fiscal Agent and permitted to hold the Global Notes.

2.4 **Records**

References to the records of Euroclear and Clearstream, Luxembourg shall be to the records that each of Euroclear and Clearstream, Luxembourg holds for its customers which reflect the amount of such customers' interests in the Notes.

3. **APPOINTMENT OF AGENTS**

3.1 The Issuer appoints on the terms, and subject to the conditions, of this Agreement, Citibank, N.A., London Branch as Fiscal Agent, Paying Agent and as Transfer Agent in respect of the Notes, and Citigroup Global Markets Europe AG as Registrar, each acting at its Specified Office(s).

3.2 Each Agent shall perform the duties required of it by the Conditions.

3.3 The obligations of the Agents are several and not joint.

3.4 Each Agent shall be entitled to do nothing, without liability, if it receives instructions which it considers to be conflicting, unclear or equivocal.

4. **FORM OF THE NOTES**

4.1 The Unrestricted Notes shall on issue be evidenced by the Unrestricted Global Note and the Restricted Notes shall on issue be evidenced by the Restricted Global Note. Prior to the date of issue, the Issuer will deliver the Unrestricted Global Note and the Restricted Global Note, duly executed by the Issuer, to the Registrar (or the Fiscal Agent on its behalf) who shall, after checking that each Global Note certifies correctly the relevant details contained in the Register in respect of such Notes, authenticate the Global Notes executed by the Issuer. The Registrar (or the Fiscal Agent on its behalf) shall return the Global Notes to, or to the order of, the Issuer for delivery to the Common Depositary on the terms that the Common Depositary shall hold such Unrestricted Global Note and such

Restricted Global Note, respectively, for the account of the Noteholders. Each Global Note will be exchangeable for Note Certificates as set out therein.

- 4.2 The Unrestricted Global Note and the Restricted Global Note shall be printed or typed and in the form or substantially in the form set out in Part A and Part B, respectively, of Schedule 2.
- 4.3 Any Note Certificates will be security printed in accordance with applicable legal and stock exchange requirements substantially in the forms set out in Part A and Part B, respectively, of Schedule 1. The Note Certificates will be endorsed with the Conditions.
- 4.4 Each Note Certificate and Global Note will be signed manually or in facsimile by a duly authorised officer of the Issuer and each Global Note will be authenticated by, or by the Fiscal Agent on behalf of, the Registrar. The Fiscal Agent shall as soon as reasonably practicable notify the Registrar if for any reason any Note Certificate or Global Note is not delivered in accordance with the Issuer's instructions. Failing any such notification, the Registrar shall cause an appropriate entry to be made in the Register to reflect the issue of the Notes to the person(s) whose name and address appears on each such Note Certificate or Global Note on the Issue Date (if any).
- 4.5 Issue and delivery of the Notes shall be complete on the issue and delivery of the Global Notes to Euroclear and Clearstream, Luxembourg (as applicable), or to one or more common depositaries or custodians on behalf of the same, as referred to in Clause 4.1, by or on behalf of the Issuer, and completion of the Register by the Registrar.
- 4.6 For so long as the Notes are evidenced by the Global Notes, the Issuer, the Fiscal Agent and the Registrar may call for and shall be at liberty to accept and place full reliance on, as sufficient evidence of the facts stated therein, a certificate or letter of confirmation certified as true and accurate and signed on behalf of Euroclear and Clearstream, Luxembourg or any custodian or common depositary for them or such other person as the Fiscal Agent and Registrar reasonably considers appropriate, as the case may be, or any form of record made by either of them, to the effect that at any particular time or throughout any particular period any particular person is, was or will be shown in its records as entitled to a particular interest in the Notes evidenced by the Global Notes.
- 4.7 The Transfer Agent shall, on presentation to it or to its order of a duly completed certificate substantially in the form provided for in Schedule 5 hereto, contact the Fiscal Agent in relation to the Unrestricted Global Note and the Registrar as custodian of the Restricted Global Note or the Unrestricted Global Note, as the case may be. The Fiscal Agent and the Registrar shall thereafter procure the exchange of interests in the Restricted Global Note for interests of an equal aggregate nominal amount in the Unrestricted Global Note in respect of such series on the later of (i) three Business Days after the trade date for the disposal of such interests in the Restricted Global Note resulting in such exchange and (ii) two Business Days after receipt by the Registrar of such completed certificate. The Registrar shall ensure that the Register is amended accordingly to reflect such transfer.
- 4.8 The Fiscal Agent shall on presentation to it or its order of a duly completed certificate substantially in the form provided for in Schedule 6 hereto contact the Registrar as custodian of the Restricted Global Note or the Unrestricted Global Note, as the case may be, in respect of such series and procure the exchange of interests in the Unrestricted Global Note for interests of an equal aggregate nominal amount in the Restricted Global Note in respect of such series on the later of (i) three Business Days after the trade date for the disposal of the interest in such Unrestricted Global Note resulting in such exchange and (ii) two Business Days after receipt by the Fiscal Agent either of such completed certificate or of such request and details. The Registrar shall ensure that the Register is amended accordingly to reflect such transfer.

- 4.9 Any transfer of an interest in a Note evidenced by the Restricted Global Note shall be subject to the certifications, restrictions and limitations set out in the Securities Act Legend. No other restrictions and no other certification requirements shall apply with respect to the transfer or exchange of an interest in Notes either evidenced by the Restricted Global Note or an interest in Notes evidenced by the Unrestricted Global Note. Such transfer or exchange shall be effected in accordance with the rules and procedures of Euroclear or Clearstream, Luxembourg, as applicable.
- 4.10 Subject to Clauses 4.7 to 4.9 and Clause 4.11, transfers of Notes evidenced by a Global Note shall be limited to transfers of all but not some of such Notes to nominees of Euroclear or Clearstream, Luxembourg, to a successor of Euroclear or Clearstream, Luxembourg, such successor's nominee, or such depository other than Euroclear or Clearstream, Luxembourg (or a nominee thereof) as the Issuer may designate.
- 4.11 Each Global Note may be exchanged for Note Certificates in the limited events set out in such Global Note. In such event, the Issuer will, free of charge to the Noteholders (but against such indemnity as the Registrar may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Note Certificates to be executed and delivered to the Registrar in sufficient quantities for despatch to individual holders of the Notes in accordance with the Conditions, Clause 4.12 and Schedule 7, provided that the Registrar will not register the transfer of, or exchange of interests in, a Global Note for Note Certificates for a period of 15 calendar days ending on the date for any payment of principal or interest in respect of the Notes.
- 4.12 Upon one of the events referred to in Clause 4.11 occurring, a person having an interest in any Note evidenced by a Global Note will provide the Registrar with:
- 4.12.1 a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Note Certificates; and
- 4.12.2 in the case of the Restricted Global Note only, either (a) a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its Note Certificate at the time of such exchange or, (b) in the case of a simultaneous sale pursuant to Rule 144A, a duly completed certificate substantially in the form provided for in Schedule 6.
- 4.13 Upon receipt of the documents referred to in Clause 4.12.1 and, if required, Clause 4.12.2, the Registrar shall arrange for the execution and delivery, to or to the order of the person or persons named in such documents, of a Note Certificate representing the relevant Notes registered in the name or names requested by such person or persons and the Registrar shall alter the entries in the Register in respect of the Notes accordingly.
- 4.14 Except for exchanges made in connection with a transfer of the Notes in accordance with paragraph 10 of Schedule 7 or Regulation S, Note Certificates issued in exchange for interests in the Restricted Global Note shall bear the Securities Act Legend.
- 4.15 Subject to the provisions of this Clause 4 and Schedule 7, the holder of the Notes evidenced by Note Certificates may transfer or exchange such Notes. The Registrar shall register the transfer of the Notes evidenced by Note Certificates, subject to the same restrictions and certifications applicable to a transfer of interests in a Note evidenced by the Restricted Global Note.
- 4.16 Subject to the provisions of this Agreement, the registered holder of the Notes evidenced by a Global Note may grant proxies and otherwise authorise any person, including participants and persons that may hold interests through participants, to take any action that a holder is entitled to take under this Agreement or the Notes.

5. **PAYMENT TO THE FISCAL AGENT**

- 5.1 The Issuer shall, not later than 12.00 p.m. (London time) on the day that is one business day prior to the date on which any payment of principal and/or interest in respect of any of the Notes becomes due and payable, transfer to an account specified by the Fiscal Agent such amount of Euros as shall be sufficient for the purposes of the payment of principal and/or interest in same day funds with such bank as the Fiscal Agent and the Issuer may agree. If the Fiscal Agent determines in its absolute discretion that payment in accordance with this Clause 5.1 is required to be made earlier, it will provide the Issuer with no less than 21 days prior notice in writing of such requirement.
- 5.2 The Issuer shall, before 10.00 a.m. (London time) two Business Days prior to the day on which the Fiscal Agent receives a payment pursuant to Clause 5.1, procure that the bank effecting payment for it confirms by authenticated SWIFT199 or fax to the Fiscal Agent the payment instructions relating to such payment. For the purposes of this Clause 5, "**Business Day**" means a day on which commercial banks are open for business and foreign exchange markets settle payments in the place where the Fiscal Agent has its Specified Office.
- 5.3 The Fiscal Agent shall use its reasonable efforts to provide by facsimile and/or email to the Issuer, at least 14 days prior to the date on which a payment of principal and/or interest in respect of the Notes is due and payable, details of payment instructions relating to such payment.
- 5.4 For the avoidance of doubt, the Agents will not be obliged to make any payment to the Noteholders in respect of payment of principal and/or interest until the Fiscal Agent has been put in funds by the Issuer.
- 5.5 Each Agent shall be entitled to make payments net of any taxes or other sums that it is required by any applicable law or regulation to be withheld or deducted.

6. **NOTIFICATION OF NON-PAYMENT BY THE ISSUER**

- 6.1 The Fiscal Agent shall notify the Paying Agent and the Issuer as soon as reasonably practicable:
- 6.1.1 if it has not by the relevant time on the date specified received unconditionally the amount referred to in Clause 5; and
- 6.1.2 if it receives unconditionally the full amount of any sum due in respect of the Notes after such time.

7. **DUTIES OF THE PAYING AGENT**

- 7.1 Subject to the payments to the Fiscal Agent provided for by Clause 5 being duly made, the Paying Agent shall act as paying agent of the Issuer in respect of principal and interest on the Notes and pay or cause to be paid on behalf of the Issuer, on and after each date on which any payment of principal or interest becomes due and payable, the amounts of principal or interest then payable under the Conditions and this Agreement. If any payment provided for by Clause 5 is made late but otherwise under the terms of this Agreement, the Paying Agent shall nevertheless act as such paying agent following receipt by them of payment.
- 7.2 If default is made by the Issuer in respect of any payment, unless and until the full amount of the payment has been made under the terms of this Agreement (except as to the time of making the same) or other arrangements satisfactory to the Fiscal Agent have been made, neither the Fiscal Agent nor the Paying Agent shall be bound to act as paying agent.

8. **REIMBURSEMENT OF THE PAYING AGENT**

The Fiscal Agent shall credit or transfer to the respective accounts of the Paying Agent the amount of all payments made by them under the Conditions as soon as reasonably practicable upon notification thereof from them subject in each case to any applicable laws or regulations and the actual receipt of moneys as described in Clause 5.

9. **NOTICE OF ANY WITHHOLDING OR DEDUCTION**

If the Issuer is, in respect of any payment in respect of the Notes or under this Agreement, compelled to withhold or deduct any amount for or on account of any taxes, the Issuer shall give notice to the Fiscal Agent as soon as it becomes aware of the requirement to make the withholding or deduction and shall give to the Fiscal Agent such information as the Fiscal Agent shall require to enable it to comply with the requirement. The Issuer will (subject to Condition 10 (*Taxation*)) pay such additional amount as may be necessary in order that the net amount received by the person to whom the payment is owed after the withholding or deduction shall equal the amount which would have been payable in the absence of the withholding or deduction.

10. **PUBLICATION OF NOTICES**

On behalf of and at the request and expense of the Issuer, the Fiscal Agent shall cause to be published all notices required to be given by the Issuer under the Conditions. Any such notices shall be provided to the Fiscal Agent at least five business days prior to the latest date on which the Issuer is to give notice to the Noteholders in accordance with the Conditions or as otherwise may be agreed between the Issuer and the Fiscal Agent.

11. **CANCELLATION, DESTRUCTION AND RECORDS OF NOTES**

11.1 All Notes which are surrendered in connection with redemption shall be cancelled by the removal, with respect to such Notes, of the relevant name of the holder of the Notes from the Register by the Registrar and cancellation of the corresponding Note Certificates (or appropriate amendment of a Global Note if the Notes are evidenced thereby) by the Agent to which they were surrendered or with which they were deposited.

11.2 The Fiscal Agent shall within four months after the date of any such redemption send to the Issuer, upon request, a certificate stating (1) the aggregate principal amount of Notes which have been redeemed and cancelled and the aggregate amount paid in respect of interest paid on Notes evidenced by any Global Note and (2) the certificate numbers of the relevant Note Certificates.

11.3 The Fiscal Agent or its authorised agent shall (unless otherwise instructed by the Issuer in writing) destroy all cancelled Notes and furnish the Issuer upon request with a certificate of destruction containing the certificate numbers of the relevant Note Certificates in numerical sequence and the aggregate amount paid in respect of interest on the relevant Notes.

11.4 The Fiscal Agent shall keep a record of the payment, redemption, replacement, surrender, exchange, cancellation and destruction of all Notes. It shall make such record available at all reasonable times during local business hours to the Issuer.

11.5 If some or all of the Notes are redeemed by the Issuer or surrendered to the Issuer in accordance with the Conditions, the Fiscal Agent will, whilst any interests in Notes evidenced by Global Notes are still outstanding, cause the Registrar and the Common Depositary to record all relevant details in the Register and on the grid appearing on the back of the relevant Global Note, respectively. The Fiscal Agent shall, as soon as possible and in any event within two months after the date of any payment of interest or principal in respect of the Notes, furnish to the Issuer upon request a certificate setting out the

amount of interest paid on each such date and the aggregate principal amount evidenced by the relevant Global Note which has been redeemed. If the principal amount outstanding evidenced by a Global Note is reduced to nil as a result of the redemption of all the Notes then outstanding, the Fiscal Agent shall (upon and subject to delivery of the relevant Global Note) destroy the relevant Global Note and, forthwith upon destruction, issue upon request a destruction certificate to the Issuer.

12. **ISSUE OF REPLACEMENT NOTES**

- 12.1 From time to time after such time (if ever) as the Notes may be transferred into a name other than that of the holder(s) of the Global Note, the Issuer will cause a sufficient quantity of additional blank Note Certificates to be available, upon request, to the Registrar at its Specified Office for the purpose of delivering replacement Note Certificates as provided below. The Issuer will, upon request by the Fiscal Agent or the Registrar, inform the Fiscal Agent and the Registrar if the authorised officer of the Issuer whose facsimile signature appears on such stocks of replacement Note Certificates ceases to be so authorised. In such circumstances the Issuer will promptly, properly and validly appoint a replacement authorised officer and upon the request of the Registrar or the Fiscal Agent promptly deliver to the Registrar such number of replacement Note Certificates as each of them may reasonably request, duly signed manually or in facsimile by such replacement authorised officer. Upon receipt of such replacement Note Certificates the Registrar or its agent will be deemed to have been authorised by the Issuer to destroy any previous replacement Note Certificates.
- 12.2 The Registrar shall maintain in safe custody all Note Certificates and blank Note Certificates delivered to and held by it and shall ensure that Note Certificates are issued only in accordance with the Conditions (including the provisions of the Global Note) and the provisions of this Agreement.
- 12.3 Within seven days of any request therefor by the Issuer or any Agent, so long as any of the Notes are outstanding, the Registrar shall certify to the Issuer and the relevant Agent the number of blank Note Certificates held by it hereunder.
- 12.4 The Registrar will, subject to and in accordance with Condition 13 (*Replacement of Notes*) and the following provisions of this Clause, deliver or cause to be delivered any replacement Note Certificates which the Issuer may determine to issue or deliver in place of Note Certificates which have been mutilated, defaced, lost, stolen or destroyed. The Registrar will inform the Issuer upon receiving any request from a holder of the Notes for the issue of a replacement Note Certificate.
- 12.5 Upon replacement of a Note Certificate bearing the Securities Act Legend, the Registrar shall only deliver or procure the delivery of replacement Note Certificates that bear the Securities Act Legend unless the conditions for removal of such legend set forth in paragraph 10 of Schedule 7 hereto have been satisfied. Upon replacement of Note Certificates not bearing the Securities Act Legend, the Registrar shall deliver or procure the delivery of replacement Note Certificates that do not bear the Securities Act Legend.
- 12.6 The Registrar will verify with the relevant Agent, in the case of an allegedly lost, stolen or destroyed Note Certificate in respect of which the identifying number is known or believed to be known, that the Notes in respect of which such Note Certificate is issued have not been purchased by the Issuer and cancelled and the Registrar shall not deliver or cause to be delivered any replacement Note Certificate unless and until the applicant therefor shall have:
- 12.6.1 paid such costs as may be incurred in connection therewith;

- 12.6.2 furnished the Registrar with such evidence (including evidence as to the identifying number of the Note Certificate in question if known) and indemnity as the Issuer and the Registrar may reasonably require; and
- 12.6.3 surrendered to the Registrar any mutilated or defaced Note Certificate to be replaced.
- 12.7 The Registrar shall cancel any mutilated or defaced Note Certificate replaced pursuant to this Clause 12 and shall upon request furnish the Issuer and the Fiscal Agent with a certificate stating the identifying numbers of the Note Certificate so cancelled and, unless otherwise instructed by the Issuer, shall destroy such cancelled Note Certificate and upon request furnish the Issuer and the Fiscal Agent with a certificate confirming such destruction and containing the information specified in this Clause 12.
- 12.8 The Registrar shall, on delivering any replacement Note Certificate, forthwith inform the Issuer and each of the other Agents of the identifying number of such replacement Note Certificate and (if known) of the identifying number of the Note Certificate and the relevant Notes in place of which such replacement Note Certificate has been delivered.
- 12.9 The Registrar shall keep a full and complete record of all replacement Note Certificates delivered and shall make such record available at all reasonable times during local business hours to the Issuer and the Fiscal Agent.
- 12.10 Whenever any Note Certificates alleged to have been lost, stolen or destroyed in replacement for which a new Note Certificate has been issued shall be surrendered or delivered to an Agent prior to payment, the Agent shall as soon as reasonably practicable send notice thereof to the Issuer, the Registrar and the Fiscal Agent.
- 12.11 Any signature on a Note Certificate shall be that of a person who is at the time of the creation and issue of the Notes an authorised signatory for such purpose of the Issuer notwithstanding that such person has for any reason (including death) ceased to be such an authorised signatory at the time at which such Note Certificate is delivered.

13. **PAYING AGENT, TRANSFER AGENT AND THE REGISTRAR**

- 13.1 If and to the extent specified by the Conditions and in accordance therewith and the terms of this Agreement or if otherwise requested by the Issuer, the Paying Agent and the Transfer Agent will:
 - 13.1.1 receive requests for the transfer of Notes, inform the Registrar, forward the deposited Note Certificate(s) to the Registrar and assist in the issue of new Note Certificate(s) in accordance with the Regulations referred to in Clause 14 and in particular forthwith notify the Registrar of (i) the name and address of the holder of the Notes, (ii) the identifying number of the relevant Note Certificate and the relevant Notes, (iii) (where not all Notes in respect of which a Note Certificate was issued are to be transferred) the number of Notes transferred and their identifying numbers, and (iv) the name, address and account for payments (if any) of the transferee to be entered on the Register;
 - 13.1.2 keep the Registrar informed of all transfers; and
 - 13.1.3 carry out such other acts as may be necessary to give effect to the Conditions.
- 13.2 The following are the duties of the Registrar:
 - 13.2.1 The Registrar shall maintain a register in relation to the Notes (the "**Register**") outside the United Kingdom and in accordance with the Conditions and the Regulations referred to in Clause 14. The Register shall show the aggregate principal amount of Notes and the date of issue and all

subsequent transfers and changes of ownership in respect thereof and the names and addresses of the holders of the Notes. The Registrar shall at all reasonable times during office hours make the Register available to the Issuer, the other Agents or any person authorised by any of them for inspection and for the taking of copies thereof or extracts therefrom and the Registrar shall deliver to such persons all such lists of holders of the Notes, their addresses, registered accounts, holdings and other details as they may request. The Register will include a record of the identifying number allocated to each Note and the identifying number allocated to each Note Certificate which is issued. Each Note Certificate will carry the identifying number of the Notes in respect of which it is issued, as well as its own identifying number. The Registrar will maintain proper records in relation to the title to any of the Notes including all forms of transfer, probates, letters of administration and powers of attorney. The provisions set forth in Schedule 7 hereto shall apply in relation to the maintenance of the Register and the transfer of the Notes. The Registrar will enter in the Register the details of all redemptions of the Notes notified to it as aforesaid and the Registrar will comply with the proper and reasonable requests of the Issuer with respect to the maintenance of the Register and will provide to the Issuer and other Agents such information with respect thereto as may be requested by the Issuer or may be reasonably required by the other Agents for the proper performance of their respective duties. The Registrar shall send a copy of the Register and thereafter notify any change in the Register to the Issuer, which shall allow the Issuer to maintain at all times a parallel register.

- 13.2.2 The Registrar will receive requests for transfers of Notes and will also receive Notes deposited with the Paying Agent and Transfer Agent, effect the necessary entries in the Register and issue new Note Certificate(s) in accordance with the applicable transfer restrictions and deliver new Note Certificate(s) to the relevant Paying Agent and Transfer Agent (if appropriate).

14. **INFORMATION AND REGULATIONS CONCERNING THE NOTES**

- 14.1 Each Agent will give to the other Agents such further information with regard to its activities hereunder as may reasonably be required by them for the proper carrying out of their respective duties.
- 14.2 The Issuer may, subject to the Conditions, from time to time with the approval in writing of the Registrar, promulgate Regulations concerning the carrying out of transfers and the forms and evidence to be provided (the "**Regulations**"). All such transfers will be made subject to the Regulations. The initial Regulations are set out in Schedule 7. The Registrar shall, at the expense of the Issuer, provide copies of the current Regulations to holders of the Notes upon request in accordance with Condition 3(e) (*Regulations Concerning Transfer and Registration*).

15. **COPIES OF THIS AGREEMENT AVAILABLE FOR INSPECTION**

The Agents shall hold copies of this Agreement available for inspection by Noteholders. For this purpose, the Issuer shall furnish the Agents with sufficient copies of this Agreement.

16. **FEES, COMMISSIONS AND EXPENSES**

- 16.1 The Issuer shall pay to the Fiscal Agent such fees, costs and expenses in respect of the services of the Agents, including any value added tax thereon, including the ongoing periodic costs in respect of the services of the Agents. The Issuer shall make payment of any such fees, costs and expenses to the Fiscal Agent and shall not be concerned with the apportionment of payment among the Agents.

16.2 The Fiscal Agent shall arrange for payment of the fees, costs and expenses due to the other Agents and arrange for the reimbursement of their expenses as soon as reasonably practicable after receipt of the relevant moneys from the Issuer or the Managers, as the case may be.

16.3 The Issuer has entered into a separate fee letter with the Fiscal Agent dated on or around 15 August 2019 (the "**Fee Letter**").

17. **INDEMNITY**

17.1 The Issuer undertakes to indemnify each of the Agents against all losses, liabilities, costs, taxes (including stamp duties), claims, actions, damages, expenses or demands (including, but not limited to, all costs, charges and expenses paid or properly incurred in disputing any of the foregoing) which any of them may incur or which may be made against any of them as a result of or in connection with the appointment of, or the exercise of the powers and duties by, any Agent under this Agreement except as may result from its wilful default, gross negligence or bad faith or that of its directors, officers or employees.

17.2 Each of the Agents severally undertakes to indemnify the Issuer against all losses, liabilities, costs, taxes (including stamp duties), claims, actions, damages, expenses or demands (including, but not limited to, all reasonable costs, charges and expenses paid or properly incurred in disputing any of the foregoing) which it may incur or which may be made against it as a result of such Agents wilful default, gross negligence or bad faith of that Agent or that of its directors, officers or employees.

17.3 This Clause 17 shall survive the termination or expiration of this Agreement.

17.4 Notwithstanding the foregoing, under no circumstances will the Agents be liable to the Issuer or any other party to this Agreement for any losses, liabilities, costs, taxes (including stamp duties), claims, actions, damages, expenses or demands (including, but not limited to, all costs, charges and expenses paid or properly incurred in disputing any of the foregoing), caused by events beyond their reasonable control including any malfunction, interruption or error in the transmission of information caused by any machine or systems or interception of communication facilities, abnormal operating conditions or acts of God. The Agents shall have no liability for any consequential loss (including loss of business, goodwill, opportunity or profit) or any special or punitive damages of any kind whatsoever, in each case however caused or arising and whether or not foreseeable, even if advised of the possibility of such loss or damage.

17.5 Notwithstanding the foregoing, under no circumstances will the Issuer be liable to the Agents or any other party to this Agreement for any losses, liabilities, costs, taxes (including stamp duties), claims, actions, damages, expenses or demands (including, but not limited to, all costs, charges and expenses paid or properly incurred in disputing any of the foregoing), caused by events beyond their reasonable control including any malfunction, interruption or error in the transmission of information caused by any machine or systems or interception of communication facilities, abnormal operating conditions or acts of God. The Issuer shall have no liability for any consequential loss (including loss of business, goodwill, opportunity or profit) or any special or punitive damages of any kind whatsoever, in each case however caused or arising and whether or not foreseeable, even if advised of the possibility of such loss or damage.

18. **REPAYMENT BY FISCAL AGENT**

Sums paid by, or by arrangement with, the Issuer to the Fiscal Agent pursuant to the terms of this Agreement shall not be required to be repaid to the Issuer unless and until all the claims in respect of any Note become void under the provisions of Condition 11 (*Prescription*) but, in that event, the Fiscal Agent shall forthwith repay to the Issuer sums

equivalent to the amounts which would otherwise have been payable in respect of the relevant Note.

19. CONDITIONS OF APPOINTMENT

- 19.1 Subject as provided in Clause 19.3, the Fiscal Agent shall be entitled to deal with money paid to it by the Issuer for the purposes of this Agreement in the same manner as other money paid to a banker by its customers and shall not be liable to account to the Issuer for any interest or other amounts in respect of the money. No money held by any Agent need be segregated except as required by law and shall not be subject to the UK Financial Conduct Authority Client Money Rules.
- 19.2 In acting under this Agreement and in connection with the Notes, the Agents shall act solely as agents of the Issuer and will not assume any obligations towards or relationship of agency or trust for or with any of the owners or holders of the Notes.
- 19.3 The Paying Agent shall not exercise any right of set-off, lien or similar claim against the Issuer or any holders of Notes in respect of any moneys payable to or by it under the terms of this Agreement.
- 19.4 Except as requested by a registered holder of any Note in writing or otherwise ordered by a court of competent jurisdiction or required by law, each of the Agents shall be entitled to treat the registered holder of any Note as the absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest therein, any writing thereon by any person or any notice of any previous theft or loss of the Note).
- 19.5 The Agents shall be obliged to perform such duties and only such duties as are set out in this Agreement and the Notes and no implied duties or obligations shall be read into this Agreement or the Notes against the Agents.
- 19.6 The Agents may consult, at the expense of the Issuer, with legal and other professional advisers and it shall not be liable in respect of action taken, omitted or suffered under this Agreement in good faith and in accordance with the advice and opinion of those advisers. The right of the Agents to consult, at the expense of the Issuer, any advisers shall not extend to any advice provided in relation to the negotiation and conclusion of this Agreement up to, and including, the date of issue of the Notes, but shall extend to any advice provided after such date.
- 19.7 Each of the Agents shall be protected and shall incur no liability for or in respect of action taken, omitted or suffered in reliance upon any instruction, request or order from the Issuer or any notice, resolution, direction, consent, certificate, affidavit, statement, facsimile, telex or other paper or document which it believes, acting in good faith, to be genuine and to have been delivered, signed or sent by the proper party or parties or upon written instructions from the Issuer.
- 19.8 Any of the Agents, their officers, directors, employees or controlling persons may become the owner of, or acquire an interest in, the Notes with the same rights that it or he would have if the Agent concerned were not appointed under this Agreement, may engage or be interested in any financial or other transaction with the Issuer and may act on, or as depositary, trustee or agent for, any committee or body of holders of Notes or other obligations of the Issuer, as freely as if the Agent were not appointed under this Agreement.
- 19.9 The Fiscal Agent shall not be under any obligation to take any action under this Agreement which it expects will result in any expense or liability accruing to it, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it.

- 19.10 Any payment by the Agents under this Agreement will be made without any deduction or withholding for or on account of any taxes unless such deduction or withholding is required by any applicable law. The Issuer acknowledges and agrees that the Agents may debit any amount available in any balance held for the Issuer and apply such amount in satisfaction of taxes. The Agents will timely pay the full amount debited or withheld to the relevant authority in accordance with the relevant applicable law. If any taxes become payable with respect to any prior credit to the Issuer by the Agents, the Issuer acknowledges that the Agents may debit any balance held for it in satisfaction of such prior taxes. The Issuer shall remain liable for any deficiency and agrees that it shall pay any such deficiency upon notice from the Agents or any authority. If taxes are paid by the Agents or any of its affiliates, the Issuer agrees that it shall promptly reimburse the Agents for such payment to the extent not covered by withholding from any payment or debited from any balance held for it. If the Agent is required to make a deduction or withholding referred to above, it will not pay an additional amount in respect of that deduction or withholding to the Issuer.
- 19.11 Notwithstanding anything else herein contained, an Agent may refrain without liability from doing anything that would or might in its reasonable opinion be contrary to any law of any state or jurisdiction (including but not limited to the United States of America or any jurisdiction forming a part of it, and England & Wales) or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is, or might in its reasonable opinion, be necessary to comply with any such law, directive or regulation.

20. **COMMUNICATION WITH AGENTS**

A copy of all communications relating to the subject matter of this Agreement between the Issuer and any of the Agents other than the Fiscal Agent shall be sent to the Fiscal Agent.

21. **TERMINATION OF APPOINTMENT**

- 21.1 The Issuer may terminate or vary the appointment of any Agent at any time and/or appoint additional or other Agents by giving to the Agent whose appointment is concerned and, where appropriate, the Fiscal Agent at least 60 days' prior written notice to that effect, which notice shall expire at least 30 days before or after any due date for payment in respect of any Notes.
- 21.2 Notwithstanding the provisions of Clause 21.1, if at any time an Agent becomes incapable of acting, or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or any substantial part of its property, or if an administrator, liquidator or administrative or other receiver of it or of all or a substantial part of its property is appointed, or it admits in writing its inability to pay or meet its debts as they may mature or suspends payment of its debts, or if an order of any court is entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or insolvency law or if a public officer takes charge or control of the Agent or of its property or affairs for the purpose of rehabilitation, administration or liquidation, the Issuer may forthwith terminate the appointment of the Agent, in which event notice shall be given to the Noteholders in accordance with Condition 17 (*Notices*) as soon as is practicable.
- 21.3 The termination of the appointment of an Agent under this Agreement shall not entitle the Agent to any amount by way of compensation but shall be without prejudice to any amount then accrued and due.
- 21.4 All or any of the Agents may resign their respective appointments under this Agreement at any time by giving to the Issuer and, where appropriate, the Fiscal Agent at least 60

days' prior written notice to that effect, which notice shall expire at least 30 days before or after any due date for payment of any Notes provided, however, that if the Issuer has not by the tenth day before the expiry of such notice appointed a successor to such Agent, such Agent may itself appoint as its successor any reputable and experienced bank or financial institution acting through its offices in the appropriate jurisdiction, and the Issuer shall give notice of such appointment to the Noteholders in accordance with Condition 17 (*Notices*) as soon as practicable.

- 21.5 Notwithstanding the provisions of Clauses 21.1, 21.2 and 21.4, so long as any of the Notes is outstanding, the termination of the appointment of an Agent (whether by the Issuer or by the resignation of the Agent) shall not be effective unless, upon the expiry of the relevant notice, there is/are (a) a Fiscal Agent and a Registrar and (b) a Paying Agent and a Transfer Agent (which may be the Fiscal Agent) having its Specified Office in a major financial centre in Western Europe (which for so long as the Notes are listed on the London Stock Exchange and the rules of such exchange so require, shall be London).
- 21.6 Any successor Agent shall execute and deliver to its predecessor, the Issuer and, where appropriate, the Fiscal Agent an instrument accepting the appointment under this Agreement and the successor Agent, without any further act, deed or conveyance, shall become vested with all the authority, rights, powers, immunities, duties and obligations of the predecessor with like effect as if originally named as an Agent.
- 21.7 If the appointment of an Agent under this Agreement is terminated (whether by the Issuer or by the resignation of the Agent), the Agent shall on the date on which the termination takes effect deliver to its successor Agent (or, if none, the Fiscal Agent) all Notes surrendered to it but not yet destroyed and all records concerning the Notes maintained by it (except such documents and records as it is obliged by law or regulation to retain or not to release) and pay to its successor Agent (or, if none, to the Fiscal Agent) the amounts (if any) held by it in respect of Notes which have become due and payable but which have not been presented for payment, but shall have no other duties or responsibilities under this Agreement.
- 21.8 If the Fiscal Agent or any of the other Agents shall change its Specified Office, it shall give to the Issuer and, where appropriate, the Fiscal Agent at least 60 days' prior written notice to that effect giving the address of the new Specified Office. As soon as practicable thereafter, and in any event at least 30 days before the change, the Fiscal Agent shall give to the Noteholders on behalf of and at the expense of the Issuer notice of the change and the address of the new Specified Office in accordance with Condition 17 (*Notices*).
- 21.9 A corporation into which any Agent for the time being may be merged, converted, consolidated or to which the business of such agent is transferred which results from a merger, conversion, consolidation or transfer of business to which the Agent shall be a party shall, to the extent permitted by applicable law, be the successor Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties to this Agreement. Notice of any merger, conversion, consolidation or transfer of business shall forthwith be given to the Issuer and, where appropriate, the Fiscal Agent.

22. **NOTICES**

Any notice required to be given under this Agreement to any of the parties shall be delivered in person and shall be in the English language or a certified translation thereof, sent by pre-paid post (first class if inland, first class airmail if overseas), by electronic communication or by facsimile addressed to:

The Issuer: State of Montenegro (represented by the Government of Montenegro, acting through its Ministry of Finance)
Stanka Dragojevic 2

81 000 Podgorica
Montenegro

Facsimile No: +382 20 224 450

(Attention: Mr. Darko Radunović, Minister of Finance)

Fiscal Agent, Transfer Agent and
Paying Agent:

Citibank, N.A., London Branch
6th Floor Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

Facsimile No: +353 1622 2210

Email: ppayments@citi.com

(Attention: Agency & Trust)

Registrar:

Citigroup Global Markets Europe AG
Reuterweg 16
60323 Frankfurt
Germany

Facsimile No: +49 69 2222 9586

Email: frankfurt.agencyandtrust@citi.com

(Attention: Agency & Trust)

or such other address of which notice in writing has been given to the other parties to this Agreement under the provisions of this Clause.

Any such communication shall be in English and shall take effect, in the case of a letter, at the time of delivery, in the case of a fax, when the relevant delivery receipt is received by the sender, in the case of an electronic communication, when the relevant receipt of such communication being read is given or, where no read receipt is requested by the sender, at the time of sending, provided that no delivery failure notification is received by the sender within 24 hours of sending such communication or, in the case of a telephone communication, when made; provided that any communication which is received (or deemed to take effect in accordance with the foregoing) after 5.00 p.m. on a business day or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the next following business day in such place. Any communication delivered to any party under this Agreement which is to be sent by fax or electronic communication will be written legal evidence.

Any communication by telephone shall be confirmed by letter, fax or electronic communication.

23. **TAXES**

The Issuer agrees to pay any and all stamp and other documentary taxes or duties which may be payable in connection with the execution, delivery, performance and enforcement of this Agreement.

24. **DESCRIPTIVE HEADINGS**

The descriptive headings in this Agreement are for convenience of reference only and shall not define or limit the provisions of this Agreement.

25. **GOVERNING LAW, JURISDICTION AND ARBITRATION**

25.1 **Governing law:** The provisions of this Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.

25.2 **Arbitration:** Subject to Clause 25.4, any controversy, claim, dispute or difference of whatever nature arising under, out of or in connection with this Agreement (including a controversy, claim, dispute or difference regarding its formation, existence, termination or validity or any non-contractual obligations arising out of or in connection with this Agreement) (a "**Dispute**"), shall be referred to and finally resolved by arbitration in accordance with the rules of the London Court of International Arbitration ("**LCIA**") (the "**Rules**") in force as at the time of the filing of the Request for Arbitration (as defined in the Rules) and as modified by this Clause 25.2, which Rules shall be deemed incorporated by reference into this Clause 25.2. The number of arbitrators shall be three, one of whom shall be nominated by the claimant(s), one by the respondent(s) and the third of whom, who shall act as presiding arbitrator, shall be nominated by the two party-nominated arbitrators, provided that if the claimant(s) or the respondent(s) fails to nominate an arbitrator within the time limits specified by the Rules or if the presiding arbitrator has not been nominated within 30 days of the nomination of the second party-nominated arbitrator, such arbitrator shall be appointed by the LCIA Court. The parties may nominate and the LCIA Court may appoint arbitrators from among the nationals of any country, whether or not a party is a national of that country. The seat of arbitration shall be London, England and the language of arbitration shall be English. Sections 45 and 69 of the Arbitration Act 1996 shall not apply.

25.3 **Consolidation of Arbitration Proceedings:** If any Dispute has been referred to arbitration pursuant to Clause 25.2, and another related dispute, controversy or claim has also been referred to arbitration pursuant to Clause 25.2 or under the terms of the Notes (together the "**Related Arbitrations**"), then, at any time after the arbitral tribunal has been appointed in relation to any one Related Arbitration (the "**Appointed Tribunal**") and before the arbitral tribunal has been appointed in relation to the other Related Arbitration, any party to each of the Related Arbitrations may, after giving notice in writing to all parties to the Related Arbitrations, request that the Appointed Tribunal be appointed and have jurisdiction in relation to each of the Related Arbitrations, subject to the consent of the Appointed Tribunal and approval by the LCIA. In deciding whether to accept appointment in relation to any Related Arbitrations, the Appointed Tribunal shall consider whether the arbitrations raise common or related issues of law or fact and whether its appointment in the Related Arbitrations would serve the interests of justice and efficiency. Where the same arbitral tribunal has been appointed in relation to two or more Related Arbitrations pursuant to this Clause 25.3, the arbitral tribunal may, after consulting all parties to the Related Arbitrations, order that the whole or part of the matters at issue be heard together upon such terms or conditions as it sees fit.

25.4 **Fiscal Agent's Option:** The Fiscal Agent may elect by notice in writing ("**Fiscal Agent Election Notice**") to the Issuer that any Dispute(s) specified in the Fiscal Agent Election Notice shall, as between itself and the Issuer, instead be heard by the courts of England, provided that a Fiscal Agent Election Notice shall have no effect whatsoever in relation to a Dispute(s) that has already been referred to arbitration pursuant to Clause 25.2. Upon the giving of a Fiscal Agent Election Notice, no arbitral tribunal shall have jurisdiction in respect of such Dispute(s) specified in the Fiscal Agent Election Notice as between the electing Fiscal Agent and the Issuer.

- 25.5 **Jurisdiction:** In the event that the Fiscal Agent serves a Fiscal Agent Election Notice in respect of any Dispute(s) pursuant to Clause 25.4, specifying that such Dispute(s) be heard by the courts of England, the Issuer and the Fiscal Agent agree that the courts of England shall have exclusive jurisdiction to hear and determine any such Dispute(s) and, for such purposes, irrevocably submit to the jurisdiction of such courts.
- 25.6 **Appropriate Forum:** For the purposes of Clause 25.5, the Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any proceedings ("**Proceedings**") and agrees not to claim that any such court is an inconvenient or inappropriate forum.
- 25.7 **Service of Process:** The Issuer agrees that the process by which any Proceedings are commenced in England pursuant to Clause 25.5 or by which any Proceedings are commenced in the English courts in support of, or in connection with, an arbitration commenced pursuant to Clause 25.2 may be served on it by being delivered to the Ambassador of Montenegro at The Embassy of Montenegro, 47 De Vere Gardens, London W8 5AW. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer agrees that it shall, on the written demand of the Fiscal Agent, appoint a further person in England to accept service of process on its behalf. Nothing in this paragraph shall affect the right of the Fiscal Agent to serve process in any other manner permitted by law.
- 25.8 **Waiver of Immunity:** To the extent that the Issuer may in any jurisdiction in respect of any Proceedings or Dispute be entitled to claim for itself or its assets immunity from jurisdiction, suit, enforcement, execution, attachment (whether in aid of execution of a judgment or an arbitration award, before judgment or award or otherwise) or other legal process, including in relation to the enforcement of any judgment or arbitration award, and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), the Issuer irrevocably consents to the enforcement and execution of any judgment or award, and irrevocably agrees not to claim and irrevocably waives such immunity subject to the provisions of Clause 25.9 to the fullest extent permitted by the laws of the jurisdiction.
- 25.9 **Waiver of Immunity – Exclusions:** Notwithstanding any of the provisions of Clause 25.8, immunity is not waived with respect to any present or future (i) "premises of the mission" as defined in the Vienna Convention on Diplomatic Relations signed in 1961, (ii) "consular premises" as defined in the Vienna Convention on Consular Relations signed in 1963, (iii) military assets or military property of Montenegro relating to any of the assets referred to in the foregoing sub-paragraphs (i) and (ii), (iv) property, weapons, equipment and funds serving the purpose of state security and defence, (v) assets that are non-tradable (*res extra commercium*), natural resources and goods in general use, and (vi) receivables of Montenegro on the basis of taxes, contributions and customs.
- 25.10 **Severability:** In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.
- 25.11 **Definitions:** Capitalised terms used in this Clause 25 but not otherwise defined in this Agreement shall have the meanings given to them in the Rules.

26. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all the counterparts shall together constitute one and the same instrument.

27. **AMENDMENTS**

This Agreement may be amended by all of the parties, without the consent of any Noteholder, either (i) for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained in this Agreement or (ii) in any manner which the parties may mutually deem necessary or desirable and which shall not be inconsistent with the Conditions and shall not, in the sole opinion of the Issuer, be materially prejudicial to the interests of the Noteholders.

28. **WHOLE AGREEMENT**

- 28.1 This Agreement contains the whole agreement between the parties hereto relating to the subject matter of this Agreement at the date of this Agreement to the exclusion of any terms implied by law which may be excluded by contract and supersedes any previous written or oral agreement between such parties in relation to the matters dealt with in this Agreement.
- 28.2 Each party acknowledges that it has not been induced to enter into this Agreement by any representation, warranty or undertaking not expressly incorporated into it.
- 28.3 So far as is permitted by law and except in the case of fraud, each party agrees and acknowledges that its only right and remedy in relation to any representation, warranty or undertaking made or given in connection with this Agreement shall be for breach of the terms of this Agreement to the exclusion of all other rights and remedies (including those in tort or arising under statute).

SCHEDULE 1

Part A - Form of Unrestricted Note Certificate

On the front:

Certif. No.

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES, FOR THE BENEFIT OF THE ISSUER THAT (A) THIS NOTE MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE NOTES REPRESENTED HEREBY OF THE APPLICABLE RESALE RESTRICTIONS.

**STATE OF MONTENEGRO (REPRESENTED BY THE GOVERNMENT OF MONTENEGRO,
ACTING BY AND THROUGH ITS MINISTRY OF FINANCE)
EUR 500,000,000 2.550 per cent. Notes due 2029**

The Note or Notes in respect of which this Note Certificate is issued are in registered form and form part of a duly authorised issue of Notes of State of Montenegro (represented by the Government of Montenegro, acting by and through its Ministry of Finance) (the "**Issuer**"), designated as specified in the title hereof (the "**Notes**"). The Notes are subject to the relevant conditions (the "**Conditions**") endorsed hereon.

For value received, the Issuer promises to pay [●] of [●], entered in the Register as the holder of the Notes on [●] (or on such earlier date as the principal sum mentioned below may become repayable in accordance with the Conditions) the principal sum of:

EUR [●]

(or such lesser principal sum as may from time to time be evidenced by this Note Certificate) together with interest on that principal sum and such other amounts as may be payable, all subject to and in accordance with the Conditions.

Upon any payment of principal or interest on this Note Certificate, the details of such payment shall be entered in the Register and endorsed by or on behalf of the Issuer on the grid on the reverse of this Note Certificate and, in the case of payments of principal, the principal amount outstanding on this Note Certificate shall be reduced for all purposes by the amount so paid and endorsed.

This Note Certificate is evidence of entitlement only. Title to the Notes passes only on due registration on the Register and only the duly registered holder is entitled to payments on the Notes in respect of which this Note Certificate is issued.

This Note Certificate and any non-contractual obligations arising out of or in connection with it is governed by, and shall be construed in accordance with, the laws of England.

In witness whereof this Note has been executed on behalf of the Issuer.

Dated: [●]

**STATE OF MONTENEGRO (REPRESENTED BY THE GOVERNMENT OF MONTENEGRO,
(ACTING BY AND THROUGH ITS MINISTRY OF FINANCE)**

By:

Certificate of Authentication

This Note Certificate is duly authenticated without recourse, warranty or liability.

By:

Citigroup Global Markets Europe AG

as Registrar

(or by the Fiscal Agent on its behalf)

On the back:

Terms and Conditions of the Notes

(in the form set out in Schedule 3 of the Agency Agreement)

ANNEX 1

Payments of Principal and/or Interest on the Notes

The following payments of principal and/or interest in respect of the Notes in respect of which this Note Certificate is issued have been made:

Date made	Amount of principal due and payable	Amount of interest due and payable	Amount of principal paid or cancelled	Amount of interest paid	Shortfall payment principal in of	Shortfall payment interest in of	Notation made by or on behalf of the Fiscal Agent

FISCAL AGENT, PAYING AGENT AND TRANSFER AGENT IN LONDON

Citibank, N.A., London Branch

6th Floor Citigroup Centre

Canada Square, Canary Wharf

London E14 5LB

United Kingdom

REGISTRAR

Citigroup Global Markets Europe AG

Reuterweg 16

60323 Frankfurt

Germany

Part B - Form of Restricted Note Certificate

On the front:

Certif. Number

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES, FOR THE BENEFIT OF THE ISSUER, THAT (A) THIS NOTE (AND ANY INTEREST HEREIN) MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO THE ISSUER, (2) TO A PERSON WHOM THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (4) PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND THAT (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE (OR INTEREST HEREIN) FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN (A) ABOVE.

THIS NOTE AND ALL RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFERS OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF THIS NOTE, THE HOLDER HEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

**STATE OF MONTENEGRO (REPRESENTED BY THE GOVERNMENT OF MONTENEGRO,
ACTING BY AND THROUGH ITS MINISTRY OF FINANCE)
EUR 500,000,000 2.550 per cent. Notes due 2029**

The Note or Notes in respect of which this Note Certificate is issued are in registered form and form part of a duly authorised issue of Notes of State of Montenegro (represented by the Government of Montenegro, acting by and through its Ministry of Finance) (the "**Issuer**"), designated as specified in the title hereof (the "**Notes**"). The Notes are subject to the relevant conditions (the "**Conditions**") endorsed herein.

For value received, the Issuer promises to pay [●] of [●], entered in the Register as the holder of the Notes on [●] (or on such earlier date as the principal sum mentioned below may become repayable in accordance with the Conditions) the principal sum of:

EUR [●]

(or such lesser principal sum as may from time to time be evidenced by this Note Certificate) together with interest on that principal sum and such other amounts as may be payable, all subject to and in accordance with the Conditions.

Upon any payment of principal or interest on this Note Certificate, the details of such payment shall be entered in the Register and endorsed by or on behalf of the Issuer on the grid on the reverse of this Note Certificate and, in the case of payments of principal, the principal amount

outstanding on this Note Certificate shall be reduced for all purposes by the amount so paid and endorsed.

The statements set forth in the legend above are an integral part of the Notes in respect of which this Note Certificate is issued and by acceptance hereof each holder of such Notes agrees to be subject to and bound by the terms and provisions set forth in such legend.

This Note Certificate is evidence of entitlement only. Title to the Notes passes only on due registration on the Register and only the duly registered holder is entitled to payments on the Notes in respect of which this Note Certificate is issued.

This Note Certificate and any non-contractual obligations arising out of or in connection with it is governed by, and shall be construed in accordance with, the laws of England.

In witness whereof this Note has been executed on behalf of the Issuer.

Dated: [●]

**STATE OF MONTENEGRO (REPRESENTED BY THE GOVERNMENT OF MONTENEGRO,
ACTING BY AND THROUGH ITS MINISTRY OF FINANCE)**

By:

Certificate of Authentication

This Note Certificate is duly authenticated without recourse, warranty or liability.

By:

Citigroup Global Markets Europe AG

as Registrar

(or by the Fiscal Agent on its behalf)

On the back:

Terms and Conditions of the Notes

(in the form set out in Schedule 3 of the Agency Agreement)

ANNEX 1

Payments of Principal and/or Interest on the Notes

The following payments of principal and/or interest in respect of the Notes in respect of which this Note Certificate is issued have been made:

Date made	Amount of principal due and payable	Amount of interest due and payable	Amount of principal paid or cancelled	Amount of interest paid	Shortfall payment principal in of	Shortfall payment interest in of	Notation made by or on behalf of the Fiscal Agent

FISCAL AGENT, PAYING AGENT AND TRANSFER AGENT IN LONDON

Citibank, N.A., London Branch

6th Floor Citigroup Centre

Canada Square, Canary Wharf

London E14 5LB

United Kingdom

REGISTRAR

Citigroup Global Markets Europe AG

Reuterweg 16

60323 Frankfurt

Germany

SCHEDULE 2

Part A - Form of Unrestricted Global Note

ISIN: XS2050982755

Common Code: 205098275

[THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES, FOR THE BENEFIT OF THE ISSUER THAT (A) THIS NOTE MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE NOTES REPRESENTED HEREBY OF THE APPLICABLE RESALE RESTRICTIONS.]

**STATE OF MONTENEGRO (REPRESENTED BY THE GOVERNMENT OF MONTENEGRO,
ACTING BY AND THROUGH ITS MINISTRY OF FINANCE)
EUR 500,000,000 2.550 per cent. Notes due 2029**

The Note or Notes in respect of which this Global Note is issued are in registered form and form part of a duly authorised issue of Notes of State of Montenegro (represented by the Government of Montenegro, acting by and through its Ministry of Finance) (the "**Issuer**"), designated as specified in the title hereof (the "**Notes**"). The Notes are subject to the relevant conditions (the "**Conditions**") set out in Schedule 3 of the fiscal agency agreement dated 3 October 2019 (the "**Agency Agreement**") between the Issuer and Citibank, N.A., London Branch as fiscal agent, transfer agent and paying agent and Citigroup Global Markets Europe AG as registrar.

For value received, the Issuer promises to pay Citivic Nominees Limited as registered holder of the Notes in respect of which this Global Note is issued on 3 October 2019 the principal sum of:

EUR 470,919,000

(FOUR HUNDRED AND SEVENTY MILLION NINE HUNDRED AND NINETEEN THOUSAND EUROS)

or such other amount as may from time to time be evidenced by this Global Note (or such part thereof as may become repayable pursuant to the Conditions) on such date(s) as the said principal sum (or part thereof) may become repayable in accordance with the Conditions, to pay interest in arrear on 3 October in each year on the principal amount outstanding of the Global Note at the rate of 2.550 per cent. per annum, subject to and in accordance with the Conditions, which shall be binding upon the holder hereof (as if references to the Conditions to the Notes and the Noteholders were references to this Global Note and the holder hereof respectively and as if the same had been set out herein in full mutatis mutandis), except as otherwise provided herein. Each payment will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

The aggregate principal amount from time to time of this Global Note shall be that amount not exceeding EUR 500,000,000 equal to the aggregate principal amount of the Notes from time to time entered in the records of both Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or any permitted alternative clearing system (an "**Alternative Clearing System**") (together, the "**relevant Clearing Systems**") which shall be completed and/or amended, as the case maybe, by or on behalf of the Fiscal Agent or upon the redemption or purchase and cancellation of Notes represented hereby or the partial exchange

hereof for definitive note certificates ("**Note Certificates**") or exchange for direct enforcement rights, all as described below.

The records of the relevant Clearing Systems (which expression in this Global Note means the records that each relevant Clearing System holds for its accountholders which reflect the amount of such accountholders' interests in the Notes) shall be conclusive evidence of the principal amount of the Notes represented by this Global Note and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the holder upon request) stating the principal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of that relevant Clearing System at that time.

This Global Note will be exchangeable, free of charge to the holder, in whole but not in part, for Note Certificates if: (i) this Global Note is held by or on behalf of a relevant Clearing System and such relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative or successor clearing system is available, or (ii) principal in respect of any Notes is not paid when due and payable. Thereupon the holder may give notice to the Fiscal Agent and the Registrar of its intention to exchange this Global Note for Note Certificates on or after the Exchange Date specified in the notice.

If principal in respect of any Notes is not paid when due and payable, the holder of this Global Note may by notice to the Fiscal Agent and the Registrar (which may but need not be the default notice referred to in "Default" below) require the exchange of a specified principal amount of this Global Note (which may be equal to or (provided that, if this Global Note is held by or on behalf of a relevant Clearing System, such relevant Clearing System agrees) less than the outstanding principal amount of Notes represented hereby) for Note Certificates on or after the Exchange Date specified in such notice.

In such circumstances, the Issuer will cause sufficient Note Certificates to be executed and delivered to the Registrar for completion and despatch to the relevant Noteholders. A person with an interest in the Notes in respect of which this Global Note is issued must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Note Certificates.

The Registrar will not register the transfer of, or exchange of interests in, this Global Note for Note Certificates for a period of 15 calendar days ending on the date for any payment of principal or interest in respect of the Notes.

"Exchange Date" means a day falling not later than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the Specified Office of the Registrar or the Transfer Agent is located and, except in the case of exchange pursuant to (i) above, in the cities in which the relevant Clearing System(s) are located.

The Issuer shall procure that details of such exchange shall be entered pro rata in the records of the relevant Clearing Systems and, upon any such entry being made, the principal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this Global Note shall be reduced by the aggregate principal amount of the Notes so exchanged.

If, for any actual or alleged reason which would not have been applicable had there been no exchange of this Global Note (or part of this Global Note) or in any other circumstances whatsoever, the Issuer does not perform or comply with any one or more of what are expressed to be its obligations under any Note Certificates, then any right or remedy relating in any way to the obligation(s) in question may be exercised or pursued on the basis of this Global Note despite its stated cancellation after its exchange in full, as an alternative, or in addition, to the Note Certificates. With this exception, upon exchange in full of this Global Note for Note Certificates, this Global Note shall become void.

Except as otherwise described herein, this Global Note is subject to the Conditions and, until it is exchanged for Note Certificates, the holder hereof shall in all respects be entitled to the same benefits as if it were the holder of the Note Certificates for which it may be exchanged and as if such Note Certificates had been issued on the date of this Global Note.

The Conditions shall be modified with respect to Notes represented by this Global Note by the following provisions:

Exchange for Interests in the Restricted Global Note. Exchanges of interests in this Global Note for interests in the Restricted Global Note shall be made only in accordance with the provisions governing such exchanges as set out in the Agency Agreement.

Payments. Payments of principal and interest in respect of Notes evidenced by this Global Note will be made to the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January and, if no further payment falls to be made in respect of the relevant Notes, surrender of this Global Note to or to the order of the Fiscal Agent or the Paying Agent and the Transfer Agent as shall have been notified to the relevant Noteholders for such purpose. A record of each payment so made will be entered in the Register and endorsed by or on behalf of the Fiscal Agent in the relevant Annex to this Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the relevant Notes. The Issuer shall procure that details of each such payment shall be entered pro rata in the records of the relevant Clearing Systems, but any failure to make the entries in the records of the relevant Clearing Systems shall not affect the discharge referred to above. No person shall however be entitled to receive any payment on this Global Note (or such part of this Global Note which is required to be exchanged) falling due after any Exchange Date, unless exchange of this Global Note for Note Certificates is improperly withheld or refused by or on behalf of the Issuer or the Issuer does not perform or comply with any one or more of what are expressed to be its obligations under any Note Certificates.

Notices. So long as any Notes are evidenced by this Global Note and this Global Note is held by or on behalf of a relevant Clearing System, notices to Noteholders may be given by delivery of the relevant notice to that relevant Clearing System for communication by it to entitled account holders in substitution for sending as required by Condition 17 (*Notices*) of the Notes except that so long as the Notes are listed on the London Stock Exchange and the rules of that Exchange so require, notices shall also be published either on the website of the London Stock Exchange or in a leading newspaper having general circulation in Europe.

Prescription. Claims in respect of principal and interest in respect of this Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 11 (*Prescription*)).

Meetings. At a meeting of Noteholders, the holder of this Global Note will (unless this Global Note represents only one Note) be treated as having one vote in respect of each EUR 1,000 in nominal amount of Notes for which this Global Note may be exchangeable.

Default. The holder hereof may exercise the right to declare Notes represented by this Global Note due and payable under Condition 12 (*Events of Default*) by stating in the notice (the "**default notice**") to the Fiscal Agent the principal amount of Notes (which may be less than the outstanding principal amount hereof) to which such notice relates.

If principal in respect of any Notes is not paid when due and payable (but subject as provided below), the holder of this Global Note may from time to time elect that Direct Rights under the provisions of Annex 3 shall come into effect. Such election shall be made by notice to the Fiscal Agent and by surrendering this Global Note to or to the order of the Fiscal Agent for reduction of the principal amount of Notes represented by this Global Note to EUR zero (or to such other figure as shall be specified in the notice) by entry in the Register and endorsement in Annex 1 and the

corresponding endorsement in Annex 2 of such principal amount of Notes formerly represented hereby as the principal amount of Notes in respect of which Direct Rights have arisen under Annex 3. Upon such notice being given the appropriate Direct Rights shall take effect.

No such election may however be made on or before an Exchange Date fixed in accordance with this Global Note with respect to the Notes to which that Exchange Date relates unless the holder elects in such notice that the exchange in question shall no longer take place.

Purchase and Cancellation. Cancellation of any Unrestricted Notes required by the Conditions of the Notes to be cancelled will be effected by the Registrar making a notation of such event in the Register. On cancellation of any such Note, the Issuer shall procure that details of such cancellation shall be entered pro rata in the records of the relevant Clearing Systems and, upon any such entry being made, the principal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this Global Note shall be reduced by the aggregate principal amount of the Notes so cancelled. Notes may only be purchased by the Issuer if (where they should be cancelled in accordance with the Conditions) they are purchased together with the right to receive all future payments of interest thereon.

Transfers. Transfers of interests in the Notes in respect of which this Global Note is issued shall be made in accordance with the Agency Agreement.

This Global Note is evidence of entitlement only. Title to the Notes passes only on due registration on the Register and only the duly registered holder is entitled to payments on the Notes in respect of which this Global Note is issued.

This Global Note shall not be valid for any purpose until authenticated by or on behalf of the Registrar.

This Global Note and any non-contractual obligations arising out of or in connection with it is governed by, and shall be construed in accordance with, the laws of England.

In witness whereof this Global Note has been executed as a deed on behalf of the Issuer.

Executed as a deed by

STATE OF MONTENEGRO (REPRESENTED BY THE GOVERNMENT OF MONTENEGRO, ACTING BY AND THROUGH ITS MINISTRY OF FINANCE)

and signed and delivered as a deed on its behalf by

Issued on 3 October 2019

Certificate of Authentication

This Global Note is duly authenticated without recourse, warranty or liability.

By:

Citigroup Global Markets Europe AG
as Registrar
(or by the Fiscal Agent on its behalf)

ANNEX 1

Payments of Principal and/or Interest on the Notes

The following payments of principal and/or interest in respect of the Notes evidenced by this Global Note have been made:

Date made	Amount of principal due and payable	Amount of interest due and payable	Amount of principal paid or cancelled	Amount of interest paid	Shortfall payment principal in of	Shortfall payment interest in of	Notation made by or on behalf of the Fiscal Agent

ANNEX 2

Changes in Principal Amount Outstanding

The following changes in principal amount outstanding have been made:

Date made	Change in principal amount outstanding of this Global Note¹	Principal amount outstanding of this Global Note following such change	Notation made by or on behalf of the Fiscal Agent
3 October 2019	N/A	EUR 470,919,000	

¹ State whether (i) reduction following redemption of Notes; (ii) transfers of the Notes including transfers of interests between Global Notes or exchange for Note Certificates; or (iii) purchase and cancellation of Notes.

ANNEX 3

Direct Enforcement Rights

This Global Note has effect as a deed conferring on Relevant Account Holders the Direct Rights referred to in this Annex in respect of the principal amount of Notes stated in paragraph 8 of this Annex.

1. Interpretation:

In this Annex, terms are used with the same meanings as in the Global Note and in addition:

"Clearing System Operator" means the operator of each of Euroclear and Clearstream, Luxembourg and, if relevant, the Alternative Clearing System;

"Direct Rights" means the rights referred to in paragraph 2;

"Entry" means any entry relating to this Global Note (or to the relevant part of it) or the Notes represented by it which is or has been made in the securities account of any account holder with a Clearing System Operator and **"Entries"** shall have a corresponding meaning;

"Principal Amount" means, in respect of any Entry, the amount which would be due to the holder of the account in which such Entry is credited were the principal amount of this Global Note or the Notes represented by it in respect of which such Entry was made to be paid in full at its maturity;

"Relevant Account Holder" means the holder of any account with a Clearing System Operator which at the Relevant Time has credited to its securities account with such Clearing System Operator an Entry or Entries in respect of this Global Note (or the relevant part of it) or the Notes represented by it except for a Clearing System Operator in its capacity as an account holder of another Clearing System Operator; and

"Relevant Time" means the time when Direct Rights take effect as contemplated by this Global Note.

2. Direct Rights:

- 2.1 Each Relevant Account Holder shall at the Relevant Time acquire against the Issuer all rights which the Relevant Account Holder in question would have had if, immediately before the Relevant Time, it had been the registered holder of a Note Certificate issued on the issue date of this Global Note in an aggregate principal amount equal to the Principal Amount of the relevant Entry including, without limitation, the right to receive all payments due at any time in respect of such Note Certificate, other than payments corresponding to any already made under this Global Note. No further action shall be required on the part of any person in order for such Direct Rights to be acquired and for each Relevant Account Holder to have the benefit of, and to enforce, rights corresponding to all the provisions of relevant Note Certificates as if they had been issued and as if such provisions had been specifically incorporated in this Annex, other than the right to receive payments corresponding to any already made under this Global Note.
- 2.2 If an event occurs upon which the Registrar is required to enter in the Register the rights of the Accountholders in accordance with the terms of the Global Note, then the Issuer shall procure that the Registrar enters in the Register the name of each Accountholder as holder of Direct Rights in respect of the Notes in an aggregate principal amount equal to the Principal Amount of such Accountholder's Entries relating to the Global Note. Following such registration, each Accountholder shall be entitled to transfer its Direct Rights in accordance with the Conditions and the regulations concerning the transfer and

registration of Notes set out in Annex 7 to the Agency Agreement as though references therein to the Notes, the Global Note and any Definitive Note Certificates were references to the Direct Rights, subject to the following:

- (i) the requirements to issue or surrender a Note, Global Notes or Definitive Note Certificate shall not apply to any such transfer; and
- (ii) the relevant form of transfer shall be obtainable from the Specified Office of the Fiscal Agent.

Any such transfer will only be effective upon entry of such transfer in the Register.

3. **Evidence:** The records of each Clearing System Operator shall, in the absence of manifest error, be conclusive evidence of the identity of the Relevant Account Holders, the number of Entries credited to the securities account of each Relevant Account Holder with such Clearing System Operator at the Relevant Time and the Principal Amount of an Entry. For the purposes of this Clause a statement issued by a Clearing System Operator stating:

- 3.1 the name of the Relevant Account Holder to or in respect of which it is issued;
- 3.2 the number of Entries credited to the securities account of such Relevant Account Holder with such Clearing System Operator as at the opening of business on the first day on which the Clearing System Operator is open for business following the Relevant Time; and
- 3.3 the Principal Amount of any Entry in the accounts of such Clearing System Operator,

shall be conclusive evidence of the records of such Clearing System Operator at the Relevant Time (but without prejudice to any other means of producing such records in evidence). In the event of a dispute, in the absence of manifest error, the determination of the Relevant Time by a Clearing System Operator shall be final and conclusive for all purposes in connection with the Relevant Account Holders with securities accounts with such Clearing System Operator.

Any Relevant Account Holder may, in any proceedings relating to this Global Note, protect and enforce its rights arising out of this Annex in respect of any Entry to which it is entitled upon the basis of a statement by a Clearing System Operator as provided in this paragraph and a copy of this Global Note certified as being a true copy by a duly authorised officer of any Clearing System Operator or the Fiscal Agent without the need for production in such proceedings or in any court of the actual records or this Global Note. Any such certification shall be binding, except in the case of manifest error or as may be ordered by any court of competent jurisdiction, upon the Issuer and all Relevant Account Holders. This paragraph shall not limit any right of any Relevant Account Holder to the production of the originals of such records or documents in evidence.

4. **Title to Entries:** Any Relevant Account Holder may protect and enforce its rights arising out of this Global Note in respect of any Entry to which it is entitled in its own name without the necessity of using the name of or obtaining any authority from any predecessor in title. Any Relevant Account Holder is entitled to receive payment of the Principal Amount of its Entry and of all other sums referable to its Direct Rights to the exclusion of any other person and payment in full by the Issuer to such Relevant Account Holder shall discharge the Issuer from all obligations in respect of such Entry and such Direct Rights.

5. **Payments Free of Taxes:** All payments by the Issuer in respect of Direct Rights shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Montenegro or any political subdivision or any authority in, or of, Montenegro having power to tax, unless withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in

order that the net amount received by the Relevant Account Holders after the withholding or deduction shall equal the respective amounts which would have been received by them in the absence of the withholding or deduction, except that no such additional amounts shall be payable:

- 5.1 to a Relevant Account Holder, or to a third party on behalf of a Relevant Account Holder, who is liable to the Taxes in respect of the relevant Entry credited to his securities account by reason of having some connection with Montenegro other than merely having the relevant Entry credited to his securities account; or
- 5.2 in respect of any demand made more than 30 days after the date upon which demand may first be made hereunder, except to the extent that the Relevant Account Holder would have been entitled to such additional amounts on making such demand on the last day of the period of 30 days assuming that day to have been a presentation date.
6. **Stamp Duties:** The Issuer covenants to and agrees with the Relevant Account Holders that it shall pay promptly, and in any event before any penalty becomes payable, any stamp duty or other issue, transaction, value added or similar tax, fund or duty (including court fees) imposed by Montenegro, the United Kingdom, Belgium or Luxembourg in connection with the entry into, performance, enforcement or admissibility in evidence of any Direct Rights and shall, to the extent permitted by law, indemnify each beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, reasonable legal fees and any applicable value added tax) which it incurs or which is made against it as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.
7. **Governing Law:** Condition 20 (*Governing Law; Jurisdiction and Arbitration*) shall apply, *mutatis mutandis*, to Direct Rights.
8. **Principal Amount:** The principal amount of Notes in respect of which Direct Rights have arisen under this Global Note is shown by the latest entry in the third column below:

Date	Amount of increase in principal amount of Notes in respect of which Direct Rights have arisen	Initial principal amount and principal amount following such increase	Notation by or on behalf of the Fiscal Agent (other than in respect of initial principal amount)
3 October 2019	Not applicable	EUR nil	Not applicable

ANNEX 4

Form of Transfer

**STATE OF MONTENEGRO (REPRESENTED BY THE GOVERNMENT OF MONTENEGRO,
ACTING BY AND THROUGH ITS MINISTRY OF FINANCE)**

UNRESTRICTED GLOBAL NOTE

in respect of up to

EUR 500,000,000 2.550 per cent. Notes due 2029

FOR VALUE RECEIVED the undersigned hereby transfers the following principal amounts of the Notes in respect of which this Unrestricted Global Note is issued, and all rights in respect thereof, to the transferee(s) listed below and hereby irrevocably constitutes and appoints the Registrar to transfer such Notes on the register of the Noteholders, with full power of substitution:

Principal Amount transferred	Name, address and account for payments of transferee

[NOTE: INSERT FOR TRANSFERS OF NOTES BEARING THE RULE 144A LEGEND TO TRANSFEREES THAT TAKE DELIVERY OF NOTES NOT BEARING THE RULE 144A LEGEND.]

[A] In connection with such request and in respect of such Notes, the undersigned hereby certifies that (i) such transfer has been effected in accordance with the transfer restrictions set forth in the Notes and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and (ii) either:

- (A) such transfer has been effected pursuant to and in accordance with Rule 903 or Rule 904 of Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and accordingly the undersigned hereby further certifies that:
 - 1. the offer and sale of the Notes was not made to a person in the United States and such offer and sale was not targeted to an identifiable group of U.S. citizens abroad;
 - 2. either
 - (a) at the time the buy order was originated, the transferee was outside the United States or the undersigned and any person acting on its behalf reasonably believed that the transferee was outside the United States, or

- (b) the transaction was executed in, on or through the facilities of a designated offshore securities market (as defined in Regulation S) and neither the undersigned nor any person acting on its behalf knows that the transaction was pre-arranged with a buyer in the United States;
- 3. no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable;
- 4. the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and
- 5. if the undersigned is an officer or director of the Issuer or a distributor, who is an affiliate of the Issuer or distributor solely by holding such position, such sale is made in accordance with the applicable provisions of Rule 904(b)(2) of Regulation S; or
- (B) the transfer has been effected pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder.

Dated:

Certifying signature:

.....

Name:

Notes:

- (a) A representative of the Noteholder should state the capacity in which he signs, e.g. executor.
- (b) The signature of the transferee shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Fiscal Agent or the Registrar may require.

[At the foot of the Global Note:]

FISCAL AGENT, PAYING AGENT AND TRANSFER AGENT IN LONDON

Citibank, N.A., London Branch

6th Floor Citigroup Centre

Canada Square, Canary Wharf

London E14 5LB

United Kingdom

REGISTRAR

Citigroup Global Markets Europe AG

Reuterweg 16

60323 Frankfurt

Germany

Part B - Form of Restricted Global Note

ISIN: XS2051494065

Common Code: 205149406

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES, FOR THE BENEFIT OF THE ISSUER, THAT (A) THIS NOTE (AND ANY INTEREST HEREIN) MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO THE ISSUER, (2) TO A PERSON WHOM THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (4) PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND THAT (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE (OR INTEREST HEREIN) FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN (A) ABOVE.

THIS NOTE AND ALL RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFERS OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF THIS NOTE, THE HOLDER HEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

**STATE OF MONTENEGRO (REPRESENTED BY THE GOVERNMENT OF MONTENEGRO,
ACTING BY AND THROUGH ITS MINISTRY OF FINANCE)**

EUR 500,000,000 2.550 per cent. Notes due 2029

The Note or Notes in respect of which this Global Note is issued are in registered form and form part of a duly authorised issue of Notes of State of Montenegro (represented by the Government of Montenegro, acting by and through its Ministry of Finance) (the "**Issuer**"), designated as specified in the title hereof (the "**Notes**"). The Notes are subject to the relevant conditions (the "**Conditions**") set out in Schedule 3 of the fiscal agency agreement dated 3 October 2019 (the "**Agency Agreement**") between the Issuer and Citibank, N.A., London Branch as fiscal agent, transfer agent and paying agent and Citigroup Global Markets Europe AG as registrar.

For value received, the Issuer promises to pay Citivic Nominees Limited as registered holder of the Notes in respect of which this Global Note is issued on 3 October 2019 the principal sum of:

EUR 29,081,000
(TWENTY NINE MILLION AND EIGHTY ONE THOUSAND EUROS)

or such other amount as may from time to time be evidenced by this Global Note (or such part thereof as may become repayable pursuant to the Conditions) on such date(s) as the said principal sum (or part thereof) may become repayable in accordance with the Conditions, to pay interest in

arrear on 3 October in each year on the principal amount outstanding of the Global Note at the rate of 2.550 per cent. per annum, subject to and in accordance with the Conditions, which shall be binding upon the holder hereof (as if references to the Conditions to the Notes and the Noteholders were references to this Global Note and the holder hereof respectively and as if the same had been set out herein in full mutatis mutandis), except as otherwise provided herein. Each payment will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

The aggregate principal amount from time to time of this Global Note shall be that amount not exceeding EUR 500,000,000 equal to the aggregate principal amount of the Notes from time to time entered in the records of both Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or any permitted alternative clearing system (an "**Alternative Clearing System**") (together, the "**relevant Clearing Systems**") which shall be completed and/or amended, as the case maybe, by or on behalf of the Fiscal Agent or upon the redemption or purchase and cancellation of Notes represented hereby or the partial exchange hereof for definitive note certificates ("**Note Certificates**") or exchange for direct enforcement rights, all as described below.

The records of the relevant Clearing Systems (which expression in this Global Note means the records that each relevant Clearing System holds for its accountholders which reflect the amount of such accountholders' interests in the Notes) shall be conclusive evidence of the principal amount of the Notes represented by this Global Note and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the bearer upon request) stating the principal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of that relevant Clearing System at that time.

The statements set forth in the legend above are an integral part of the Notes in respect of which this Global Note is issued and by acceptance hereof each registered holder of such Notes agrees to be subject to and bound by the terms and provisions set forth in such legend.

This Global Note will be exchangeable, free of charge to the holder, in whole but not in part, for Note Certificates if: (i) this Global Note is held by or on behalf of a relevant Clearing System and such relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative or successor clearing system is available, or (ii) principal in respect of any Notes is not paid when due and payable. Thereupon the holder may give notice to the Fiscal Agent and the Registrar of its intention to exchange this Global Note for Note Certificates on or after the Exchange Date specified in the notice.

If principal in respect of any Notes is not paid when due and payable, the holder of this Global Note may by notice to the Fiscal Agent and the Registrar (which may but need not be the default notice referred to in "Default" below) require the exchange of a specified principal amount of this Global Note (which may be equal to or (provided that, if this Global Note is held by or on behalf of a relevant Clearing System, such relevant Clearing System agrees) less than the outstanding principal amount of Notes represented hereby) for Note Certificates on or after the Exchange Date specified in such notice.

In such circumstances, the Issuer will cause sufficient Note Certificates to be executed and delivered to the Registrar for completion and despatch to the relevant Noteholders. A person with an interest in the Notes in respect of which this Global Note is issued must provide the Registrar with (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Restricted Note Certificates; and (ii) a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous sale pursuant to Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933 (the "**Securities Act**"), a certification that the transfer is being made in compliance with the provisions of Rule

144A to a qualified institutional buyer (within the meaning of Rule 144A) in accordance with the Agency Agreement. Note Certificates issued in respect of the Notes sold in reliance on Rule 144A shall bear the legends applicable to transfers pursuant to Rule 144A.

In such circumstances, the Issuer will cause sufficient Note Certificates to be executed and delivered to the Registrar for completion and despatch to the relevant Noteholders. A person with an interest in the Notes in respect of which this Global Note is issued must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Note Certificates.

The Registrar will not register the transfer of, or exchange of interests in, this Global Note for Note Certificates for a period of 15 calendar days ending on the date for any payment of principal or interest in respect of the Notes.

"Exchange Date" means a day falling not later than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the Specified Office of the Registrar or the relevant Transfer Agent is located and, except in the case of exchange pursuant to (i) above, in the cities in which the relevant Clearing System(s) are located.

The Issuer shall procure that details of such exchange shall be entered pro rata in the records of the relevant Clearing Systems and, upon any such entry being made, the principal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this Global Note shall be reduced by the aggregate principal amount of the Notes so exchanged.

If, for any actual or alleged reason which would not have been applicable had there been no exchange of this Global Note (or part of this Global Note) or in any other circumstances whatsoever, the Issuer does not perform or comply with any one or more of what are expressed to be its obligations under any Note Certificates, then any right or remedy relating in any way to the obligation(s) in question may be exercised or pursued on the basis of this Global Note despite its stated cancellation after its exchange in full, as an alternative, or in addition, to the Note Certificates. With this exception, upon exchange in full of this Global Note for Note Certificates, this Global Note shall become void.

Except as otherwise described herein, this Global Note is subject to the Conditions and, until it is exchanged for Note Certificates, the holder hereof shall in all respects be entitled to the same benefits as if it were the holder of the Note Certificates for which it may be exchanged and as if such Note Certificates had been issued on the date of this Global Note.

The Conditions shall be modified with respect to Notes represented by this Global Note by the following provisions:

Exchange for Interests in the Unrestricted Global Note. Exchanges of interests in this Global Note for interests in the Unrestricted Global Note shall be made only in accordance with the provisions governing such exchanges as set out in the Agency Agreement.

Payments. Payments of principal and interest in respect of Notes evidenced by this Global Note will be made to the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January and, if no further payment falls to be made in respect of the relevant Notes, surrender of this Global Note to or to the order of the Fiscal Agent or such other Paying Agent and Transfer Agent as shall have been notified to the relevant Noteholders for such purpose. A record of each payment so made will be entered in the Register and endorsed by or on behalf of the Fiscal Agent in the relevant Annex to this Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the relevant Notes. The Issuer shall procure that details of each such payment shall be entered pro rata in the records of the relevant Clearing Systems, but any failure to make the entries in the records of the relevant Clearing Systems shall not affect the discharge referred to above. No person shall however be entitled to receive any payment on this Global Note (or such

part of this Global Note which is required to be exchanged) falling due after any Exchange Date, unless exchange of this Global Note for Note Certificates is improperly withheld or refused by or on behalf of the Issuer or the Issuer does not perform or comply with any one or more of what are expressed to be its obligations under any Note Certificates.

Notices. So long as any Notes are evidenced by this Global Note and this Global Note is held by or on behalf of a relevant Clearing System, notices to Noteholders may be given by delivery of the relevant notice to that relevant Clearing System for communication by it to entitled account holders in substitution for sending as required by Condition 17 (*Notices*) of the Notes except that so long as the Notes are listed on the London Stock Exchange and the rules of that Exchange so require, notices shall also be published either on the website of the London Stock Exchange or in a leading newspaper having general circulation in Europe.

Prescription. Claims in respect of principal and interest in respect of this Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 11 (*Prescription*)).

Meetings. At a meeting of Noteholders, the holder of this Global Note will (unless this Global Note represents only one Note) be treated as having one vote in respect of each EUR 1,000 in nominal amount of Notes for which this Global Note may be exchangeable.

Default. The holder hereof may exercise the right to declare Notes represented by this Global Note due and payable under Condition 12 (*Events of Default*) by stating in the notice (the "**default notice**") to the Fiscal Agent the principal amount of Notes (which may be less than the outstanding principal amount hereof) to which such notice relates.

If principal in respect of any Notes is not paid when due and payable (but subject as provided below), the holder of this Global Note may from time to time elect that Direct Rights under the provisions of Annex 3 shall come into effect. Such election shall be made by notice to the Fiscal Agent and by surrendering this Global Note to or to the order of the Fiscal Agent for reduction of the principal amount of Notes represented by this Global Note to EUR Zero (or to such other figure as shall be specified in the notice) by entry in the Register and endorsement in Annex 1 and the corresponding endorsement in Annex 2 of such principal amount of Notes formerly represented hereby as the principal amount of Notes in respect of which Direct Rights have arisen under Annex 3. Upon such notice being given the appropriate Direct Rights shall take effect.

No such election may however be made on or before an Exchange Date fixed in accordance with this Global Note with respect to the Notes to which that Exchange Date relates unless the holder elects in such notice that the exchange in question shall no longer take place.

Purchase and Cancellation. Cancellation of any Restricted Notes required by the Conditions of the Notes to be cancelled will be effected by the Registrar making a notation of such event in the Register. On cancellation of any such Note, the Issuer shall procure that details of such cancellation shall be entered pro rata in the records of the relevant Clearing Systems and, upon any such entry being made, the principal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this Global Note shall be reduced by the aggregate principal amount of the Notes so cancelled. Notes may only be purchased by the Issuer if (where they should be cancelled in accordance with the Conditions) they are purchased together with the right to receive all future payments of interest thereon.

Transfers. Transfers of interest in the Notes with respect of which this Global Note is issued shall be made in accordance with the Agency Agreement.

This Global Note is evidence of entitlement only. Title to the Notes passes only on due registration on the Register and only the duly registered holder is entitled to payments on the Notes in respect of which this Global Note is issued.

This Global Note shall not be valid for any purpose until authenticated by or on behalf of the Registrar.

This Global Note and any non-contractual obligations arising out of or in connection with it is governed by, and shall be construed in accordance with, the laws of England.

In witness whereof this Global Note has been executed as a deed on behalf of the Issuer.

Executed as a deed by

**STATE OF MONTENEGRO (REPRESENTED BY THE GOVERNMENT OF MONTENEGRO,
ACTING BY AND THROUGH ITS MINISTRY OF FINANCE)**

and signed and delivered as a
deed on its behalf by

Issued on 3 October 2019

Certificate of Authentication

This Global Note is duly authenticated without recourse, warranty or liability.

By:

Citigroup Global Markets Europe AG

as Registrar

(or by the Fiscal Agent on its behalf)

ANNEX 1

Payments of Principal and/or Interest on the Notes

The following payments of principal and/or interest in respect of the Notes evidenced by this Global Note have been made:

Date made	Amount of principal due and payable	Amount of interest due and payable	Amount of principal paid or cancelled	Amount of interest paid	Shortfall payment principal in of	Shortfall payment interest in of	Notation made by or on behalf of the Fiscal Agent

ANNEX 2

Changes in Principal Amount Outstanding

The following changes in principal amount outstanding have been made:

Date made	Change in principal amount outstanding of this Global Note¹	Principal amount outstanding of this Global Note following such change	Notation made by or on behalf of the Fiscal Agent
3 October 2019	N/A	EUR 29,081,000	

¹ State whether (i) reduction following redemption of Notes; (ii) transfers of the Notes including transfers of interests between Global Notes or exchange for Note Certificates; or (iii) purchase and cancellation of Notes.

ANNEX 3

Direct Enforcement Rights

This Global Note has effect as a deed conferring on Relevant Account Holders the Direct Rights referred to in this Annex in respect of the principal amount of Notes stated in paragraph 8 of this Annex.

1. Interpretation:

In this Annex, terms are used with the same meanings as in the Global Note and in addition:

"Clearing System Operator" means the operator of each of Euroclear and Clearstream, Luxembourg and, if relevant, the Alternative Clearing System;

"Direct Rights" means the rights referred to in paragraph 2;

"Entry" means any entry relating to this Global Note (or to the relevant part of it) or the Notes represented by it which is or has been made in the securities account of any account holder with a Clearing System Operator and "Entries" shall have a corresponding meaning;

"Principal Amount" means, in respect of any Entry, the amount which would be due to the holder of the account in which such Entry is credited were the principal amount of this Global Note or the Notes represented by it in respect of which such Entry was made to be paid in full at its maturity;

"Relevant Account Holder" means the holder of any account with a Clearing System Operator which at the Relevant Time has credited to its securities account with such Clearing System Operator an Entry or Entries in respect of this Global Note (or the relevant part of it) or the Notes represented by it except for a Clearing System Operator in its capacity as an account holder of another Clearing System Operator; and

"Relevant Time" means the time when Direct Rights take effect as contemplated by this Global Note.

2. Direct Rights:

- 2.1 Each Relevant Account Holder shall at the Relevant Time acquire against the Issuer all rights which the Relevant Account Holder in question would have had if, immediately before the Relevant Time, it had been the registered holder of a Note Certificate issued on the issue date of this Global Note in an aggregate principal amount equal to the Principal Amount of the relevant Entry including, without limitation, the right to receive all payments due at any time in respect of such Note Certificate, other than payments corresponding to any already made under this Global Note. No further action shall be required on the part of any person in order for such Direct Rights to be acquired and for each Relevant Account Holder to have the benefit of, and to enforce, rights corresponding to all the provisions of relevant Note Certificates as if they had been issued and as if such provisions had been specifically incorporated in this Annex, other than the right to receive payments corresponding to any already made under this Global Note.
- 2.2 If an event occurs upon which the Registrar is required to enter in the Register the rights of the Accountholders in accordance with the terms of the Global Note, then the Issuer shall procure that the Registrar enters in the Register the name of each Accountholder as holder of Direct Rights in respect of the Notes in an aggregate principal amount equal to the Principal Amount of such Accountholder's Entries relating to the Global Note. Following such registration, each Accountholder shall be entitled to transfer its Direct Rights in accordance with the Conditions and the regulations concerning the transfer and

registration of Notes set out in Annex 7 to the Agency Agreement as though references therein to the Notes, the Global Note and any Definitive Note Certificates were references to the Direct Rights, subject to the following:

- (i) the requirements to issue or surrender a Note, Global Notes or Definitive Note Certificate shall not apply to any such transfer; and
- (ii) the relevant form of transfer shall be obtainable from the Specified Office of the Fiscal Agent.

Any such transfer will only be effective upon entry of such transfer in the Register.

3. **Evidence:** The records of each Clearing System Operator shall, in the absence of manifest error, be conclusive evidence of the identity of the Relevant Account Holders, the number of Entries credited to the securities account of each Relevant Account Holder with such Clearing System Operator at the Relevant Time and the Principal Amount of an Entry. For the purposes of this Clause a statement issued by a Clearing System Operator stating:

- 3.1 the name of the Relevant Account Holder to or in respect of which it is issued;
- 3.2 the number of Entries credited to the securities account of such Relevant Account Holder with such Clearing System Operator as at the opening of business on the first day on which the Clearing System Operator is open for business following the Relevant Time; and
- 3.3 the Principal Amount of any Entry in the accounts of such Clearing System Operator,

shall be conclusive evidence of the records of such Clearing System Operator at the Relevant Time (but without prejudice to any other means of producing such records in evidence). In the event of a dispute, in the absence of manifest error, the determination of the Relevant Time by a Clearing System Operator shall be final and conclusive for all purposes in connection with the Relevant Account Holders with securities accounts with such Clearing System Operator.

Any Relevant Account Holder may, in any proceedings relating to this Global Note, protect and enforce its rights arising out of this Annex in respect of any Entry to which it is entitled upon the basis of a statement by a Clearing System Operator as provided in this paragraph and a copy of this Global Note certified as being a true copy by a duly authorised officer of any Clearing System Operator or the Fiscal Agent without the need for production in such proceedings or in any court of the actual records or this Global Note. Any such certification shall be binding, except in the case of manifest error or as may be ordered by any court of competent jurisdiction, upon the Issuer and all Relevant Account Holders. This paragraph shall not limit any right of any Relevant Account Holder to the production of the originals of such records or documents in evidence.

4. **Title to Entries:** Any Relevant Account Holder may protect and enforce its rights arising out of this Global Note in respect of any Entry to which it is entitled in its own name without the necessity of using the name of or obtaining any authority from any predecessor in title. Any Relevant Account Holder is entitled to receive payment of the Principal Amount of its Entry and of all other sums referable to its Direct Rights to the exclusion of any other person and payment in full by the Issuer to such Relevant Account Holder shall discharge the Issuer from all obligations in respect of such Entry and such Direct Rights.

5. **Payments Free of Taxes:** All payments by the Issuer in respect of Direct Rights shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Montenegro or any political subdivision or any authority in, or of, Montenegro having power to tax, unless withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in

order that the net amount received by the Relevant Account Holders after the withholding or deduction shall equal the respective amounts which would have been received by them in the absence of the withholding or deduction, except that no such additional amounts shall be payable:

- 5.1 to a Relevant Account Holder, or to a third party on behalf of a Relevant Account Holder, who is liable to the Taxes in respect of the relevant Entry credited to his securities account by reason of having some connection with Montenegro other than merely having the relevant Entry credited to his securities account; or
- 5.2 in respect of any demand made more than 30 days after the date upon which demand may first be made hereunder, except to the extent that the Relevant Account Holder would have been entitled to such additional amounts on making such demand on the last day of the period of 30 days assuming that day to have been a presentation date.
6. **Stamp Duties:** The Issuer covenants to and agrees with the Relevant Account Holders that it shall pay promptly, and in any event before any penalty becomes payable, any stamp duty or other issue, transaction, value added or similar tax, fund or duty (including court fees) imposed by Montenegro, the United Kingdom, Belgium or Luxembourg in connection with the entry into, performance, enforcement or admissibility in evidence of any Direct Rights, and shall, to the extent permitted by law, indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, reasonable legal fees and any applicable value added tax) which it incurs or which is made against it as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.
7. **Governing Law:** Condition 20 (*Governing Law; Jurisdiction and Arbitration*) shall apply, *mutatis mutandis*, to Direct Rights.
8. **Principal Amount:** The principal amount of Notes in respect of which Direct Rights have arisen under this Global Note is shown by the latest entry in the third column below:

Date	Amount of increase in principal amount of Notes in respect of which Direct Rights have arisen	Initial principal amount and principal amount following such increase	Notation by or on behalf of the Fiscal Agent (other than in respect of initial principal amount)
3 October 2019	Not applicable	EUR nil	Not applicable

ANNEX 4

Form of Transfer

**STATE OF MONTENEGRO (REPRESENTED BY THE GOVERNMENT OF MONTENEGRO,
ACTING BY AND THROUGH ITS MINISTRY OF FINANCE)**

RESTRICTED GLOBAL NOTE

in respect of up to

EUR 500,000,000 2.550 per cent. Notes due 2029

FOR VALUE RECEIVED the undersigned hereby transfers the following principal amounts of the Notes in respect of which this Restricted Global Note is issued, and all rights in respect thereof, to the transferee(s) listed below and hereby irrevocably constitutes and appoints the Registrar to transfer such Notes on the register of the Noteholders with full power of substitution:

Principal Amount transferred	Name, address and account for payments of transferee

Dated: Certifying Signature:

Name:

Notes:

- (a) A representative of the Noteholder should state the capacity in which he signs, e.g. executor.
- (b) The signature of the transferee shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Fiscal Agent or the Registrar may require.

[At the foot of the Global Note:]

FISCAL AGENT, PAYING AGENT AND TRANSFER AGENT IN LONDON

Citibank, N.A., London Branch

6th Floor Citigroup Centre

Canada Square, Canary Wharf

London E14 5LB

United Kingdom

REGISTRAR

Citigroup Global Markets Europe AG

Reuterweg 16

60323 Frankfurt

Germany

SCHEDULE 3

Terms and Conditions of the Notes

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes which, subject to amendment and completion and except for the text in italics, will be endorsed on each Definitive Note Certificate (if issued):

The EUR 500,000,000 2.550 per cent. Notes due 2029 (the “**Notes**”, which expression includes any further notes issued pursuant to Condition 18 (*Further Issues*) and forming a single series therewith) of the State of Montenegro (represented by the Government of Montenegro, acting by and through its Ministry of Finance) (the “**Issuer**”) will be the subject of a fiscal agency agreement dated 3 October 2019 (as amended or supplemented from time to time, the “**Fiscal Agency Agreement**”) between the Issuer, Citibank, N.A., London Branch as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), as paying agent (the “**Paying Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and as transfer agent (the “**Transfer Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and, together with the Fiscal Agent and the Paying Agent, the “**Agents**”) and Citigroup Global Markets Europe AG in its capacity as registrar (the “**Registrar**”, which expression shall be deemed to include any successor registrar appointed from time to time in connection with the Notes).

Certain provisions of these Conditions are summaries of the Fiscal Agency Agreement and are subject to its detailed provisions. The Noteholders are bound by, and are deemed to have notice of, all the provisions of the Fiscal Agency Agreement applicable to them. Copies of the Fiscal Agency Agreement are available for inspection during normal business hours at the Specified Offices (as defined in the Fiscal Agency Agreement) of the Agents. References to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs of these terms and conditions.

1 Form, Denomination and Title

(a) *Form and denomination*

The Notes are in registered form, serially numbered.

The Notes will be issued in minimum denominations of EUR 100,000 or any amount in excess thereof which is an integral multiple of EUR 1,000 (each an “**Authorised Holding**”).

(b) *Title*

Title to the Notes will pass by transfer and registration as described in Conditions 2 (*Registration*) and 3 (*Transfer of Notes*). The holder (as defined below) of any Note will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any other interest in it, any writing thereon by any person (other than a duly executed transfer thereof in the form endorsed thereon) or any notice of any previous theft or loss thereof; and no person will be liable for so treating the holder.

In these Conditions, “**Noteholder**” or “**holder**” means the person in whose name a Note is for the time being registered in the Register (as defined below) (or, in the case of joint holders, the first named thereof) and “**holders**” shall be construed accordingly. A note in definitive form (a “**Definitive Note Certificate**”) will be issued to each Noteholder in respect of its registered holding.

Notes sold to QIBs in the United States in reliance on Rule 144A under the Securities Act will be represented by a Rule 144A Global Note. Notes sold to investors outside the United States in reliance on Regulation S under the Securities Act will be represented by the Regulation S Global Note. Interests in the Regulation S Global Note and the Rule 144A Global Note will be exchangeable for Definitive Note

Certificates in the limited circumstances specified in the Regulation S Global Note and the Rule 144A Global Note, respectively. The Global Notes will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream, Luxembourg”).

Ownership of beneficial interests in the Global Notes will be limited to persons that have accounts with Euroclear or Clearstream, Luxembourg or persons that may hold interests through such participants. Beneficial interests in the Global Notes will be shown on, and transfers thereof will be effected through, records maintained in book entry form by Euroclear, Clearstream, Luxembourg and their participants, as applicable.

(c) Third party rights

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

2 Registration

The Issuer will cause a register (the “Register”) to be kept at the Specified Office of the Registrar outside the United Kingdom in which will be entered the names and addresses of the holders of the Notes and the particulars of the Notes held by them and all transfers and redemptions of the Notes.

3 Transfer of Notes

(a) Transfer

Each Note may, subject to the terms of the Fiscal Agency Agreement and to Conditions 3(b) (*Formalities Free of Charge*), 3(c) (*Closed Periods*) and 3(e) (*Regulations Concerning Transfer and Registration*), be transferred in whole or in part in an Authorised Holding by lodging the relevant Definitive Note Certificate (with the endorsed form of application for transfer in respect thereof duly executed and duly stamped where applicable) at the Specified Office of the Registrar or any Paying Agent and Transfer Agent. A Note may be registered only in the name of, and transferred only to, a named person or persons. No transfer of a Note will be valid unless and until entered on the Register.

The Registrar will, within five Business Days (as defined below) of any duly made application for the transfer of a Note, register the transfer and deliver a new Definitive Note Certificate to the transferee (and, in the case of a transfer of part only of a Note, deliver a Definitive Note Certificate for the untransferred balance to the transferor), at the Specified Office of the Registrar, or (at the risk and, if mailed at the request of the transferee or, as the case may be, the transferor otherwise than by ordinary mail, at the expense of the transferee or, as the case may be, the transferor) mail the Definitive Note Certificate by uninsured mail to such address as the transferee or, as the case may be, the transferor may request.

(b) Formalities Free of Charge

Such transfer will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith, (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar.

(c) ***Closed Periods***

Neither the Issuer nor the Registrar will be required to register the transfer of any Note (or part thereof) during the period of 15 days immediately prior to the due date for any payment of principal or interest in respect of the Notes.

(d) ***Business Day***

In this Condition, “**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the city in which the Specified Office of the Registrar or, as the case may be, the Fiscal Agent is located.

(e) ***Regulations Concerning Transfer and Registration***

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfer of Notes in Schedule 1 to the Fiscal Agency Agreement. The regulations may be changed by the Issuer with the approval of the Registrar.

(f) ***Authorised Holdings***

No Note may be transferred unless each of the principal amount of Notes transferred and (where not all of the Notes held by a holder are being transferred) the principal amount of the balance of the Notes not transferred is an Authorised Holding.

4 Status

The Notes constitute direct, general, unconditional and (subject to Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer and the full faith and credit of the Issuer is pledged for the due and punctual payment of principal and interest on the Notes and for the performance of all obligations of the Issuer in respect of the Notes. The Notes will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer. This Condition 4 (*Status*) does not require the Issuer to effect equal or rateable payment(s) at any time with respect to any such other unsecured obligations of the Issuer and, in particular, the Issuer shall have no obligation to pay other unsecured obligations at the same time or as a condition of paying sums due under the Notes and vice versa.

5 Negative Pledge

So long as any Note remains outstanding (as defined in the Fiscal Agency Agreement) the Issuer shall not create or permit to subsist any Security Interest other than a Permitted Security Interest upon the whole or any part of its present or future undertaking, assets or revenues to secure any of its Public Indebtedness or any Guarantee of any Public Indebtedness of any other person unless the Issuer shall, in the case of the creation of any Security Interest, at the same time or prior thereto, and in any other case, promptly, procure that all amounts payable in respect of the Notes are secured equally and rateably therewith or provide such other security or other arrangement for the Notes as may be approved by a resolution of the requisite majority of Noteholders or written resolution of Noteholders, in each case in accordance with Condition 14 (*Meetings of Noteholders; Written Resolutions*).

6 Definitions

(a) For the purposes of these Conditions:

“**Guarantee**” means, in relation to any indebtedness, any guarantee or indemnity given by the Issuer in respect of such indebtedness;

“**Permitted Security Interest**” means any Security Interest created as contemplated by the terms of the facility agreement dated 11 April 2017 between the Issuer and Credit Suisse AG, London Branch, the account pledge agreement dated 11 April 2017 between the Issuer and Credit Suisse AG, London Branch and the conversion letter dated 30 July 2009 between the Issuer and Credit Suisse, London Branch and the renewal or extension of any such Security Interest **provided that** (x) the principal amount of the Public Indebtedness secured thereby is not increased, (y) such renewal or extension shall be no more restrictive than the original Security Interest, and (z) the Security Interest has not been or is not extended to any additional assets;

“**Public Indebtedness**” means any indebtedness which (a) is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument, (b) is, or was intended by the issuer thereof to be at the time such indebtedness was issued, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any automated trading system or over-the-counter market) and (c) has a maturity date falling more than one year after its issue date; and

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything having an equivalent effect to any of the foregoing under the laws of any jurisdiction.

- (b) Capitalised terms used in Condition 20 (*Governing Law; Jurisdiction and Arbitration*) but not otherwise defined in these Conditions shall have the meanings given to them in the Rules.

7 Interest

(a) *Interest Accrual*

Each Note bears interest from 3 October 2019 (the “**Issue Date**”) at the rate of 2.550 per cent. per annum (the “**Rate of Interest**”) payable annually in arrear on 3 October of each year commencing on 3 October 2020 (each, an “**Interest Payment Date**”), subject as provided in Condition 8 (*Payments*). The period beginning on (and including) (i) the Issue Date and ending on (but excluding) 3 October 2020 (the “**First Interest Period**”) and (ii) any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an “**Interest Period**”.

In respect of all Interest Periods, the amount of interest payable on each Interest Payment Date shall be EUR 25.50 in respect of each principal amount of EUR 1,000.

(b) *Cessation of Interest*

Each Note will cease to bear interest from the due date for final redemption unless, upon due surrender of the relevant Note, payment of principal is improperly withheld or refused. In such case it will continue to bear interest at such rate (after as well as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment) in accordance with Condition 17 (*Notices*).

(c) *Calculation of Interest for an Interest Period*

The amount of interest payable in respect of each Note for any Interest Period shall be calculated by applying the Rate of Interest to the principal amount of such Note and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

(d) Calculation of Interest for any other period

Where interest is to be calculated in respect of a period other than an Interest Period, it will be calculated on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the “**Accrual Date**”) to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date. The determination of the amount of interest payable under Conditions 7(c) (*Calculation of Interest for an Interest Period*) and 7(d) (*Calculation of Interest for any other period*) by the Fiscal Agent shall, in the absence of manifest and proven error, be binding on all parties.

8 Payments

(a) Principal

Payment of principal in respect of each Note and payment of interest due other than on an Interest Payment Date will be made to the person shown in the Register at the close of business on the Record Date (as defined below) and subject to the surrender (or, in the case of part payment only, endorsement) of the relevant Definitive Note Certificate at the Specified Office of the Registrar or of the Paying Agent and Transfer Agent.

(b) Interest

Payments of interest due on an Interest Payment Date will be made to the persons shown in the Register at close of business on the Record Date.

(c) Record Date

“**Record Date**” means the 15th day before the due date for the relevant payment.

(d) Payments

Each payment in respect of the Notes pursuant to Conditions 8(a) (*Principal*) and (b) (*Interest*) will be made by euro cheque mailed to the holder of the relevant Note at his address appearing in the Register. However, upon application by the holder to the Specified Office of the Registrar or any Agent not less than 15 days before the due date for any payment in respect of a Note, such payment may be made by transfer to a euro account maintained by the payee with a bank in a city where banks have access to the TARGET System.

Where payment is to be made by cheque, the cheque will be mailed, on the business day preceding the due date for payment or, in the case of payments referred to in Condition 8(a) (*Principal*), if later, on the business day on which the relevant Definitive Note Certificate is surrendered (or endorsed as the case may be) as specified in Condition 8(a) (*Principal*) (at the risk and, if mailed at the request of the holder otherwise than by ordinary mail, expense of the holder).

Where payment is to be made by transfer to a euro account, payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated, in the case of principal, on the later of the due date for payment and the day on which the relevant Definitive Note Certificate is surrendered (or, in the case of part payment only, endorsed) and, in the case of interest, on the due date for payment.

“**TARGET System**” means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET 2) System or any successor thereto.

(e) Agents

The names of the initial Agents and the Registrar and their Specified Offices are set out below. The Issuer reserves the right under the Fiscal Agency Agreement by giving to the relevant Agent concerned at least 60 days' prior written notice, which notice shall expire at least 30 days before or after any due date for payment in respect of the Notes, to vary or terminate the appointment of any Agent or Registrar and to appoint successor or additional Agents or Registrar, **provided that** it will at all times maintain:

- (i) a Fiscal Agent; and
- (ii) a Registrar.

Notice of any such removal or appointment and of any change in the Specified Office of any Agent or Registrar will be given to Noteholders in accordance with the provisions of the Fiscal Agency Agreement and Condition 17 (*Notices*) as soon as practicable.

(f) Payments subject to Fiscal Laws

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(g) Delay in Payment

Noteholders will not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for payment not being a business day, (ii) a cheque mailed in accordance with this Condition 8 (*Payments*) arriving after the due date for payment or being lost in the mail, or (iii) if the holder is late in surrendering (where so required) the relevant Definitive Note Certificate.

(h) Business Days

In this Condition 8 (*Payments*), “**business day**” means any day on which the TARGET System is open and, in the case of surrender of a Definitive Note Certificate, any day on which the commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place of the Specified Office of the Registrar or relevant Agent, to whom the relevant Definitive Note Certificate is surrendered.

9 Redemption and Purchase

(a) Scheduled redemption

Unless previously purchased and cancelled as provided below, each Note will be redeemed at its principal amount on 3 October 2029, subject as provided in Condition 8 (*Payments*).

(b) Residual Maturity Call at the Option of the Issuer

The Issuer may, at its option, from and including the date falling 3 months prior to the Maturity Date to but excluding the Maturity Date, subject to having given not less than 30 nor more 60 calendar days' prior notice to the Noteholders in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable and shall specify the date set for redemption), redeem all, but not some only, of the outstanding Notes at their principal amount plus accrued interest up to but excluding the date set for redemption.

(c) No other redemption

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 9(a) (*Scheduled redemption*) and Condition 9(b) (*Residual Maturity Call at the Option of the Issuer*).

(d) Purchase

The Issuer may at any time purchase or procure others to purchase for its account Notes in the open market or otherwise and at any price. The Notes so purchased may be held or resold (**provided that** such resale is outside the United States or, in the case of any Notes resold pursuant to Rule 144A (“**Rule 144A**”) under the U.S. Securities Act of 1933, as amended, is only made to qualified institutional buyers (“**QIBs**”) (as defined in Rule 144A) and is otherwise in compliance with all applicable laws) or surrendered for cancellation at the option of the Issuer or otherwise, as the case may be, in compliance with Condition 9(d) (*Cancellation of Notes*). The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meeting of the Noteholders and shall not be deemed to be outstanding for the purposes of meetings of the Noteholders or for the purposes of any Written Resolution (as defined in Condition 14 (*Meetings of Noteholders; Written Resolutions*)), as more particularly set out in Condition 14(i) (*Notes controlled by the Issuer*).

(e) Cancellation of Notes

All Notes which are submitted for cancellation pursuant to Condition 9(c) (*Purchase*) will be cancelled and may not be reissued or resold.

10 Taxation

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within Montenegro or any political subdivision thereof or any authority therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Note:

(a) Other Connection

held by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with Montenegro other than the mere holding of the Note; or

(b) Presentation more than 30 days after the Relevant Date

where (in the case of a payment of principal or interest on redemption) the relevant Definitive Note Certificate is surrendered for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder of it would have been entitled to such additional amounts on surrendering such Definitive Note Certificate for payment on the last day of such period of 30 days.

In these Conditions, “**Relevant Date**” means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which, the full amount plus any accrued interest having been so received, notice to that effect shall have been given to the Noteholders. Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition.

11 Prescription

Claims in respect of principal and interest will become void unless made within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

12 Events of Default

If any of the following events (each an “**Event of Default**”) occurs and is continuing:

(a) Non payment

the Issuer fails to pay any amount in respect of the Notes when the same becomes due and payable and such failure continues for a period of 15 days; or

(b) Breach of other obligations

the Issuer defaults in the performance or observance of any of its other obligations under the Notes and such default is incapable of remedy or, if capable of remedy, remains unremedied for 30 days after notice of such default has been given to the Issuer (with a copy to the Fiscal Agent at its Specified Office) by any holder of Notes; or

(c) Cross-Default

(i) the acceleration of the maturity (other than by optional or mandatory prepayment or redemption) of any Public Indebtedness of the Issuer, (ii) the Issuer defaults in the payment of any principal of or interest on any of its Public Indebtedness when and as the same shall become due and payable, and such default continues for more than the grace period, if any, originally applicable thereto or, in the case of interest where such grace period does not exceed 30 days, for more than 30 days or (iii) the Issuer defaults in the payment when due and called upon of any guarantee or indemnity of the Issuer in respect of any Public Indebtedness of any other person and such default continues for more than the grace period, if any, originally applicable thereto or, if such grace period does not exceed 30 days, for more than 30 days; **provided that** the aggregate amount of the relevant Public Indebtedness in respect of which one or more of the events mentioned in this sub-paragraph (c) have occurred (which, for the avoidance of doubt, shall exclude any Public Indebtedness of the Socialist Federal Republic of Yugoslavia, the Federal Republic of Yugoslavia and/or the State Union of Serbia and Montenegro which is allocated to the Issuer) equals or exceeds EUR 20,000,000 or its equivalent; or

(d) Unenforceability

for any reason whatsoever, the obligations under the Notes are declared by a court of competent jurisdiction pursuant to a final non-appealable decision to be no longer binding or no longer enforceable against the Issuer; or

(e) Moratorium

Montenegro shall have declared a general moratorium on the payment of principal of, or interest on, all or any part of its Public Indebtedness; or

(f) Validity

Montenegro or any of its political sub-divisions (on its behalf) repudiates the validity of the Notes; or

(g) IMF

Montenegro ceases to be a member, or becomes ineligible to use the resources of, the International Monetary Fund,

then the holders of not less than 25 per cent. in the aggregate principal amount of the outstanding Notes may, by written notice to the Issuer (with a copy to the Fiscal Agent at its Specified Office), declare the Notes due and payable immediately. Notice of any such declaration shall promptly be given to all other Noteholders by the Issuer. Upon any declaration of acceleration, the principal, interest and all additional amounts payable on the Notes will become immediately due and payable on the date on which the Issuer receives written notice of the declaration as aforesaid. No delay or omission of any Noteholder shall impair any such right or remedy or constitute a waiver of any such Event of Default.

If the Issuer receives notice in writing from holders of at least 50 per cent. in aggregate principal amount of the outstanding Notes to the effect that the Event of Default or Events of Default giving rise to any above-mentioned declaration of acceleration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn, the Issuer shall give notice thereof to the Noteholders (with a copy to the Fiscal Agent at its Specified Office), whereupon the relevant declaration shall be withdrawn and shall have no further effect. No such withdrawal shall affect any other or any subsequent Event of Default or any right of any Noteholder in relation thereto.

For the avoidance of doubt, no event of default shall occur if any event under paragraphs (a) to (g) above (inclusive) occurs in respect of any Public Indebtedness of the Socialist Federal Republic of Yugoslavia, the Federal Republic of Yugoslavia and/or the State Union of Serbia and Montenegro which is allocated to the Issuer.

13 Replacement of Notes

If any Definitive Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar or any Agent subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (**provided that** the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Definitive Note Certificates must be surrendered before replacements will be issued.

14 Meetings of Noteholders; Written Resolutions

(a) *Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions:*

- (i) The Issuer may convene a meeting of the Noteholders at any time in respect of the Notes in accordance with the provisions of the Fiscal Agency Agreement. The Issuer will determine the time and place of the meeting and will notify the Noteholders of the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.
- (ii) The Issuer or the Fiscal Agent will convene a meeting of Noteholders if the holders of at least 10 per cent. in principal amount of the outstanding Notes (as defined in the Fiscal Agency Agreement and described in Condition 14(i) (*Notes controlled by the Issuer*)) have delivered a written request to the Issuer or the Fiscal Agent (with a copy to the Issuer) setting out the purpose of the meeting. The Fiscal Agent will agree the time and place of the meeting with the Issuer promptly. The Issuer or the Fiscal Agent, as the case may be, will notify the Noteholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 days after the date on which such notification is given.
- (iii) The Issuer (with the agreement of the Fiscal Agent) will set the procedures governing the conduct of any meeting in accordance with the Fiscal Agency Agreement. If the Fiscal Agency Agreement does not include such procedures, or additional procedures are required, the Issuer and the Fiscal

Agent will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt securities issued by it.

- (iv) The notice convening any meeting will specify, *inter alia*:
 - (A) the date, time and location of the meeting;
 - (B) the agenda and the text of any Extraordinary Resolution (as defined below) to be proposed for adoption at the meeting;
 - (C) the record date for the meeting, which shall be no more than five business days before the date of the meeting;
 - (D) the documentation required to be produced by a Noteholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Noteholder's behalf at the meeting;
 - (E) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Notes are traded and/or held by Noteholders;
 - (F) whether Condition 14(b) (*Modification of this Series of Notes only*), Condition 14(c) (*Multiple Series Aggregation – Single limb voting*) or Condition 14(d) (*Multiple Series Aggregation – Two limb voting*) shall apply and, if relevant, in relation to which other series of debt securities it applies;
 - (G) if the proposed modification or action relates to two or more series of debt securities issued by it and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;
 - (H) such information that is required to be provided by the Issuer in accordance with Condition 14(f) (*Information*);
 - (I) the identity of the Aggregation Agent (as defined below) and the Calculation Agent (as defined below), if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Condition 14(g) (*Claims Valuation*); and
 - (J) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities.
- (v) In addition, the Fiscal Agency Agreement contains provisions relating to Written Resolutions and electronic consents. All information to be provided pursuant to Condition 14(a)(iv) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions.
- (vi) A “**record date**” in relation to any proposed modification or action means the date fixed by the Issuer for determining the Noteholders and, in the case of a multiple series aggregation, the holders of debt securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution,

or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution as set out below.

- (vii) An “**Extraordinary Resolution**” means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.
- (viii) A “**Written Resolution**” means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.
- (ix) Any reference to “**debt securities**” means any notes (including the Notes), bonds, debentures or other debt securities issued by the Issuer in one or more series with an original stated maturity of more than one year.
- (x) “**Debt Securities Capable of Aggregation**” means those debt securities which include or incorporate by reference this Condition 14 (*Meetings of Noteholders; Written Resolutions*) and Condition 15 (*Aggregation Agent; Aggregation Procedures*) or provisions substantially in these terms which provide for the debt securities which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.

(b) Modification of this Series of Notes only

- (i) Any modification of any provision of, or any action in respect of, these Conditions or the Fiscal Agency Agreement in respect of the Notes may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.
- (ii) A “**Single Series Extraordinary Resolution**” means a resolution passed at a meeting of Noteholders duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 14(a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*) by a majority of:
 - (A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes; or
 - (B) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate principal amount of the outstanding Notes.
- (iii) A “**Single Series Written Resolution**” means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:
 - (A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes; or
 - (B) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate principal amount of the outstanding Notes.

Any Single Series Written Resolution may be contained in one document or several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders.

- (iv) Any Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Noteholders, whether or not they attended any meeting, whether or not they voted in favour thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be.

(c) ***Multiple Series Aggregation – Single limb voting***

- (i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, **provided that** the Uniformly Applicable condition is satisfied.
- (ii) A “**Multiple Series Single Limb Extraordinary Resolution**” means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 14(a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate).
- (iii) A “**Multiple Series Single Limb Written Resolution**” means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.
- (iv) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be.
- (v) The “**Uniformly Applicable**” condition will be satisfied if:
 - (A) the holders of all affected series of Debt Securities Capable of Aggregation are invited to exchange, convert, or substitute their debt securities, on the same terms, for (1) the same new instrument or other consideration or (2) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or
 - (B) the amendments proposed to the terms and conditions of each affected series of Debt Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to the currency of issuance).
- (vi) Any modification or action proposed under Condition 14(c) (*Multiple Series Aggregation – Single limb voting*) above may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 14(c) (*Multiple Series Aggregation – Single limb voting*) may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

(d) ***Multiple Series Aggregation – Two limb voting***

- (i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.
- (ii) A “**Multiple Series Two Limb Extraordinary Resolution**” means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 14(a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of:
 - (A) at least 66⅔ per cent. of the aggregate principal amount of the outstanding debt securities of all the affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
 - (B) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).
- (iii) A “**Multiple Series Two Limb Written Resolution**” means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:
 - (A) at least 66⅔ per cent. of the aggregate principal amount of the outstanding debt securities of all the affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
 - (B) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.
- (iv) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be.
- (v) Any modification or action proposed under this Condition 14(d) (*Multiple Series Aggregation – Two limb voting*) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 14(d) (*Multiple Series Aggregation – Two limb voting*) may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

(e) **Reserved Matters**

In these Conditions, “**Reserved Matter**” means any proposal:

- (i) to change the date, or the method of determining the date, for payment of principal, interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the Notes or to change the method of calculating the amount of principal, interest or any other amount payable in respect of the Notes on any date;
- (ii) to change the currency in which any amount due in respect of the Notes is payable or the place in which any payment is to be made;
- (iii) to change the majority required to pass an Extraordinary Resolution, a Written Resolution or any other resolution of Noteholders or the number or percentage of votes required to be cast, or the number or percentage of Notes required to be held, in connection with the taking of any decision or action by or on behalf of the Noteholders or any of them;
- (iv) to change this definition, or the definition of “Extraordinary Resolution”, “Single Series Extraordinary Resolution”, “Multiple Series Single Limb Extraordinary Resolution”, “Multiple Series Two Limb Extraordinary Resolution”, “Written Resolution”, “Single Series Written Resolution”, “Multiple Series Single Limb Written Resolution” or “Multiple Series Two Limb Written Resolution”;
- (v) to change the definition of “debt securities” or “Debt Securities Capable of Aggregation”;
- (vi) to change the definition of “Uniformly Applicable”;
- (vii) to change the definition of “outstanding” in the Fiscal Agency Agreement or to modify the provisions of Condition 14(i) (*Notes controlled by the Issuer*);
- (viii) to (A) change the legal ranking of the Notes or (B) to approve such other arrangement by way of Extraordinary Resolution of the Noteholders or by a Written Resolution as is referred to in the first paragraph of Condition 5 (*Negative Pledge*);
- (ix) to change any provision of the Notes describing circumstances in which Notes may be declared due and payable prior to their scheduled maturity date, set out in Condition 12 (*Events of Default*);
- (x) to change the law governing the Notes, the courts to the jurisdiction of which the Issuer has submitted in the Notes, any of the arrangements specified in the Notes to enable proceedings to be taken or the Issuer’s waiver of immunity, in respect of actions or proceedings brought by any Noteholder, set out in Condition 20 (*Governing Law; Jurisdiction and Arbitration*);
- (xi) to impose any condition on or otherwise change the Issuer’s obligation to make payments of principal, interest or any other amount in respect of the Notes, including by way of the addition of a call option;
- (xii) to modify the provisions of this Condition 14(e) (*Reserved Matters*);
- (xiii) except as permitted by any related guarantee or security agreement, to release any agreement guaranteeing or securing payments under the Notes or to change the terms of any such guarantee or security; or
- (xiv) to exchange or substitute all the Notes for, or convert all the Notes into, other obligations or securities of the Issuer or any other person, or to modify any provision of these Conditions in

connection with any exchange or substitution of the Notes for, or the conversion of the Notes into, any other obligations or securities of the Issuer or any other person, which would result in the Conditions as so modified being less favourable to the Noteholders which are subject to the Conditions as so modified than:

- (A) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or substitution or conversion; or
- (B) if more than one series of other obligations or debt securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount.

(f) Information

Prior to or on the date that the Issuer proposes any Extraordinary Resolution or Written Resolution pursuant to Condition 14(b) (*Modification of this Series of Notes only*), Condition 14(c) (*Multiple Series Aggregation – Single limb voting*) or Condition 14(d) (*Multiple Series Aggregation – Two limb voting*), the Issuer shall publish in accordance with Condition 15 (*Aggregation Agent; Aggregation Procedures*), and provide the Fiscal Agent, with the following information:

- (A) a description of the Issuer’s economic and financial circumstances which are, in the Issuer’s opinion, relevant to the request for any potential modification or action, a description of the Issuer’s existing debts and a description of its broad policy reform programme and provisional macroeconomic outlook;
- (B) if the Issuer shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement and where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;
- (C) a description of the Issuer’s proposed treatment of external debt securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other debt securities and its other major creditor groups; and
- (D) if any proposed modification or action contemplates debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Noteholders in Condition 14(a)(iv)(G) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*),

provided that the foregoing requirements shall not apply if and to the extent that the terms of the Extraordinary Resolution or Written Resolution (as the case may be) include a waiver in respect thereof.

(g) Claims Valuation

For the purpose of calculating the par value of the Notes and any affected series of debt securities which are to be aggregated with the Notes in accordance with Condition 14(c) (*Multiple Series Aggregation – Single limb voting*) and Condition 14(d) (*Multiple Series Aggregation – Two limb voting*), the Issuer may appoint a Calculation Agent (the “**Calculation Agent**”). The Issuer shall, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the par value of the Notes and such affected series of debt securities will be calculated. In any such case where a Calculation Agent is appointed, the same person will be appointed as the

Calculation Agent for the Notes and each other affected series of debt securities for these purposes, and the same methodology will be promulgated for each affected series of debt securities.

(h) *Manifest error, etc.*

The Notes, these Conditions and the provisions of the Fiscal Agency Agreement may be amended without the consent of the Noteholders to correct a manifest error. In addition, the parties to the Fiscal Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature or it is not materially prejudicial to the interests of the Noteholders.

(i) *Notes controlled by the Issuer*

For the purposes of (a) determining the right to attend and vote at any meeting of Noteholders, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution, (b) this Condition 14 (*Meetings of Noteholders; Written Resolutions*) and (c) Condition 12 (*Events of Default*), any Notes which are for the time being held by the Issuer, by a department, ministry or agency of the Issuer, or by a corporation, trust or other legal entity that is controlled by the Issuer or a department, ministry or agency of the Issuer (and, in the case of a Note held by any such above-mentioned corporation, trust or other legal entity, the holder of the Note does not have autonomy of decision), shall be disregarded and be deemed not to remain outstanding where:

- (A) the holder of a Note for these purposes is the entity legally entitled to vote the Note for or against a proposed modification or, if different, the entity whose consent or instruction is by contract required, directly or indirectly, for the legally entitled holder to vote the Note for or against a proposed modification;
- (B) a corporation, trust or other legal entity is controlled by the Issuer or by a department, ministry or agency of the Issuer if the Issuer or any department, ministry or agency of the Issuer has the power, directly or indirectly, through the ownership of voting securities or other ownership interests, by contract or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of that legal entity; and
- (C) the holder of a Note has autonomy of decision if, under applicable law, rules or regulations and independent of any direct or indirect obligation the holder may have in relation to the Issuer: (x) the holder may not, directly or indirectly, take instruction from the Issuer on how to vote on a proposed modification; or (y) the holder, in determining how to vote on a proposed modification, is required to act in accordance with an objective prudential standard, in the interest of all of its stakeholders or in the holder's own interest; or (z) the holder owes a fiduciary or similar duty to vote on a proposed modification in the interest of one or more persons other than a person whose holdings of Notes (if that person then held any Notes) would be deemed to be not outstanding under this Condition 14(i) (*Notes controlled by the Issuer*).

A Note will also be deemed to be not outstanding if the Note has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Note has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Issuer has previously satisfied its obligations to make all payments due in respect of the Note in accordance with its terms.

In advance of any meeting of Noteholders, or in connection with any Written Resolution, the Issuer shall provide to the Fiscal Agent a copy of the certificate prepared pursuant to Condition 15(d) (*Certificate*)

which includes information on the total number of Notes which are for the time being held by the Issuer, by a department, ministry or agency of the Issuer, or by a corporation, trust or other legal entity that is controlled by the Issuer or a department, ministry or agency of the Issuer and over which such above-mentioned corporation, trust or other legal entity does not have autonomy of decision (as set out above) and, as such, such Notes shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Noteholders or the right to sign, or authorise the signature of, any Written Resolution in respect of any such meeting. The Fiscal Agent shall make any such certificate available for inspection during normal business hours at its Specified Office and, upon reasonable request, will allow copies of such certificate to be taken.

(j) Publication

The Issuer shall publish all Extraordinary Resolutions and Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with Condition 15(g) (*Manner of publication*).

(k) Exchange and Conversion

Any Extraordinary Resolutions or Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, the Conditions may be implemented at the Issuer's option by way of a mandatory exchange or conversion of the Notes and each other affected series of debt securities, as the case may be, into new debt securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Notes is notified to Noteholders at the time notification is given to the Noteholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Noteholders.

15 Aggregation Agent; Aggregation Procedures

(a) Appointment

The Issuer will appoint an Aggregation Agent (the "**Aggregation Agent**") to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of Notes and, in the case of a multiple series aggregation, by the required principal amount of outstanding debt securities of each affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Conditions or the Fiscal Agency Agreement in respect of the Notes and in respect of the terms and conditions or bond documentation in respect of each other affected series of debt securities. The Aggregation Agent shall be independent of the Issuer.

(b) Extraordinary Resolutions

If an Extraordinary Resolution has been proposed at a duly convened meeting of Noteholders to modify any provision of, or action in respect of, these Conditions and other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have voted in favour of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

(c) Written Resolutions

If a Written Resolution has been proposed under these Conditions to modify any provision of, or action in respect of, these Conditions and the terms and conditions of other affected series of debt securities, as

the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have signed or confirmed in writing in favour of the Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

(d) Certificate

For the purposes of Condition 15(b) (*Extraordinary Resolutions*) and Condition 15(c) (*Written Resolutions*), the Issuer will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in Condition 14(b) (*Modification of this Series of Notes only*), Condition 14(c) (*Multiple Series Aggregation – Single limb voting*) or Condition 14(d) (*Multiple Series Aggregation – Two limb voting*), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution.

The certificate shall:

- (i) list the total principal amount of Notes and, in the case of a multiple series aggregation, the total principal amount of each other affected series of debt securities outstanding on the record date; and
- (ii) clearly indicate the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of Condition 14(i) (*Notes controlled by the Issuer*) on the record date identifying the holders of the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

(e) Notification

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 15 (*Aggregation Agent; Aggregation Procedures*) to be notified to the Fiscal Agent and the Issuer as soon as practicable after such determination. Notice thereof shall also promptly be given to the Noteholders.

(f) Binding nature of determinations; no liability

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 15 (*Aggregation Agent; Aggregation Procedures*) by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent and the Noteholders and (subject as aforesaid) no liability to any such person will attach to the Aggregation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(g) Manner of publication

The Issuer will publish all notices and other matters required to be published pursuant to the Fiscal Agency Agreement including any matters required to be published pursuant to Condition 12 (*Events of Default*), Condition 14 (*Meetings of Noteholders; Written Resolutions*), this Condition 15 (*Aggregation Agent; Aggregation Procedures*) and Condition 16 (*Noteholders' Committee*):

- (i) through Euroclear Bank S.A./N.V., Clearstream Banking S.A., and/or any other clearing system in which the Notes are held;
- (ii) in such other places and in such other manner as may be required by applicable law or regulation; and
- (iii) in such other places and in such other manner as may be customary.

16 Noteholders' Committee

(a) *Appointment:*

- (i) Holders of at least 25 per cent. of the aggregate principal amount of the outstanding debt securities of all series of affected debt securities (taken in aggregate) may, by notice in writing to the Issuer (with a copy to the Fiscal Agent), appoint any person or persons as a committee to represent the interests of such holders (as well as the interests of any holders of outstanding debt securities who wish to be represented by such a committee) if any of the following events has occurred:
 - (a) an Event of Default under Condition 12 (*Events of Default*);
 - (b) any event or circumstance which could, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition 12 (*Events of Default*) become an Event of Default;
 - (c) any public announcement by the Issuer, to the effect that the Issuer is seeking or intends to seek a rescheduling or restructuring of the Notes or any other affected series of debt securities (whether by amendment, exchange offer or otherwise); or
 - (d) with the agreement of the Issuer, at a time when the Issuer has reasonably reached the conclusion that its debt may no longer be sustainable whilst the Notes or any other affected series of debt securities are outstanding.
- (ii) Upon receipt of a written notice that a committee has been appointed in accordance with Condition 16(a)(i) (*Appointment*) and a certificate delivered pursuant to Condition 16(d) (*Certification*), the Issuer shall give notice of the appointment of such a committee to:
 - (a) all Noteholders in accordance with Condition 17 (*Notices*); and
 - (b) the holders of each affected series of debt securities in accordance with the terms and conditions of such affected series of debt securities,

as soon as practicable after such written notice and such certificate are delivered to the Issuer.

(b) *Powers:*

Such committee in its discretion may, among other things:

- (i) engage legal advisers and financial advisers to assist it in representing the interests of the Noteholders;
- (ii) adopt such rules as it considers appropriate regarding its proceedings;
- (iii) enter into discussions with the Issuer and/or other creditors of the Issuer; and
- (iv) designate one or more members of the committee to act as the main point(s) of contact with the Issuer and provide all relevant contact details to the Issuer.

Except to the extent provided in this Condition 16(b) (*Powers*), such committee shall not have the ability to exercise any powers or discretions which the Noteholders could themselves exercise.

(c) *Engagement with the committee and provision of information:*

- (i) The Issuer shall:
 - (a) subject to paragraph (c)(ii) immediately below, engage with the committee in good faith;
 - (b) provide the committee with information equivalent to that required under Condition 14(f) (*Information*) and related proposals, if any, in each case as the same become available, subject to any applicable information disclosure policies, rules and regulations; and
 - (c) pay any reasonable fees and expenses of any such committee as may be agreed with it (including, without limitation, the reasonable and documented fees and expenses of the committee's legal and financial advisers, if any) following receipt of reasonably detailed invoices and supporting documentation.
- (ii) If more than one committee has been appointed by holders of affected series of debt securities in accordance with the provisions of this Condition 16 (*Noteholders' Committee*) and/or equivalent provisions set out in the terms and conditions of any affected series of debt securities, the Issuer shall not be obliged to engage with such committees separately. Such committees may appoint a single steering group (to be comprised of representatives from such committees), whereupon the Issuer shall engage with such steering group.

(d) *Certification:*

Upon the appointment of a committee, the person or persons constituting such a committee (the "**Members**") will provide a certificate to the Issuer and to the Fiscal Agent signed by the authorised representatives of the Members, and the Issuer and the Fiscal Agent may rely upon the terms of such certificate.

The certificate shall certify:

- (i) that the committee has been appointed;
- (ii) the identity of the Members; and
- (iii) that such appointment complies with the terms and conditions of the relevant bond documentation.

Promptly after any change in the identity of the Members, a new certificate, which each of the Issuer and the Fiscal Agent may rely on conclusively, will be delivered to the Issuer and the Fiscal Agent identifying the new Members. Each of the Issuer and the Fiscal Agent will assume that the membership of the committee has not changed unless and until it has received a new certificate.

The provisions of this Condition 16(d) (*Certification*) shall apply, *mutatis mutandis*, to any steering group appointed in accordance with Condition 16(c)(ii) (*Engagement with the committee and provision of information*).

In appointing a person or persons as a committee to represent the interests of the Noteholders, the Noteholders may instruct a representative or representatives of the committee to form a separate committee or to join a steering group with any person or persons appointed for similar purposes by other affected series of debt securities.

17 Notices

Notices required to be given to Noteholders pursuant to these Conditions will be sent to them by mail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth weekday (excluding Saturday and Sunday) after the date of mailing.

So long as any of the Notes are represented by the Global Notes, notices required to be given in accordance with Condition 17 (Notices) may instead be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the relevant accountholders.

18 Further Issues

The Issuer may from time to time, without notice to or the consent of the Noteholders and in accordance with the Fiscal Agency Agreement, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the date for and amount of the first payment of interest) so as to be consolidated and form a single series with the Notes (“**Further Notes**”).

19 Currency Indemnity

An amount received or recovered in a currency other than Euro (the “**Contractual Currency**”) (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the liquidation of the Issuer or otherwise) by any Noteholder in respect of any sum expressed to be due to it from the Issuer will only discharge the Issuer to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the relevant Noteholder pursuant to these Conditions, the Issuer will indemnify such Noteholder against any loss sustained by it as a result on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Registrar or any Paying Agent and Transfer Agent with its Specified Office in London. In any event, the Issuer will indemnify the relevant Noteholder against the cost of making any such purchase.

20 Governing Law; Jurisdiction and Arbitration

(a) *Governing law*

The Notes and any non-contractual obligations arising out of or in connection with the Notes shall be governed by, and construed in accordance with, English law.

(b) *Arbitration*

Subject to Condition 20(d) (*Noteholders’ Option*), any controversy, claim, dispute or difference of whatever nature arising under, out of or in connection with the Notes (including a controversy, claim, dispute or difference regarding its formation, existence, termination or validity of the Notes or any non-contractual obligations arising out of or in connection with the Notes) (a “**Dispute**”) shall be referred to and finally resolved by arbitration in accordance with the rules of the London Court of International Arbitration (“**LCIA**”) (the “**Rules**”) in force as at the time of the filing of the Request for Arbitration (as defined in the Rules) and as modified by this Condition 20(b) (*Arbitration*), which Rules shall be deemed incorporated by reference into this Condition 20(b) (*Arbitration*). The number of arbitrators shall be three, one of whom shall be nominated by the claimant(s), one by the respondent(s) and the third of whom, who shall act as presiding arbitrator, shall be nominated by the two party-nominated arbitrators, **provided that** if the claimant(s) or the respondent(s) fails to nominate an arbitrator within the time limits specified by the Rules or if the presiding arbitrator has not been nominated within 30 days of the

nomination of the second party-nominated arbitrator, such arbitrator shall be appointed by the LCIA Court. The parties may nominate and the LCIA Court may appoint arbitrators from among the nationals of any country, whether or not a party is a national of that country. The seat of arbitration shall be London, England and the language of arbitration shall be English. Sections 45 and 69 of the Arbitration Act 1996 shall not apply.

(c) Consolidation of arbitration proceedings

If any Dispute has been referred to arbitration pursuant to Condition 20(b) (*Arbitration*), and another related dispute, controversy or claim has also been referred to arbitration pursuant to Condition 20(b) (*Arbitration*) or under the terms of the Fiscal Agency Agreement (together the “**Related Arbitrations**”), then, at any time after the arbitral tribunal has been appointed in relation to any one Related Arbitration (the “**Appointed Tribunal**”) and before the arbitral tribunal has been appointed in relation to the other Related Arbitration, any party to each of the Related Arbitrations may, after giving notice in writing to all parties to the Related Arbitrations, request that the Appointed Tribunal be appointed and have jurisdiction in relation to each of the Related Arbitrations, subject to the consent of the Appointed Tribunal and approval by the LCIA. In deciding whether to accept appointment in relation to any Related Arbitrations, the Appointed Tribunal shall consider whether the arbitrations raise common or related issues of law or fact and whether its appointment in the Related Arbitrations would serve the interests of justice and efficiency. Where the same arbitral tribunal has been appointed in relation to two or more Related Arbitrations pursuant to this Condition 20(c) (*Consolidation of arbitration proceedings*), the arbitral tribunal may, after consulting all parties to the Related Arbitrations, order that the whole or part of the matters at issue be heard together upon such terms or conditions as it sees fit.

(d) Noteholders’ Option

Any Noteholder may elect by notice in writing (“**Noteholder Election Notice**”) to the Issuer that any Dispute(s) specified in the Noteholder Election Notice shall, as between itself and the Issuer, instead be heard by the courts of England, **provided that** a Noteholder Election Notice shall have no effect whatsoever in relation to a Dispute(s) that has already been referred to arbitration pursuant to Condition 20(b) (*Arbitration*). Upon the giving of a Noteholder Election Notice, no arbitral tribunal shall have jurisdiction in respect of the Dispute(s) specified in the Noteholder Election Notice as between the electing Noteholder(s) and the Issuer. For the avoidance of doubt, an election under this Condition 20(d) (*Noteholders’ Option*) by one or more Noteholders shall not bind the other Noteholders, nor shall it affect the jurisdiction of any arbitral tribunal appointed in respect of any Dispute(s) between the Issuer and any Noteholders not making such an election.

(e) Jurisdiction

In the event that any one or more Noteholder(s) gives a Noteholder Election Notice in respect of any Dispute(s) pursuant to Condition 20(d) (*Noteholders’ Option*) specifying that such Dispute(s) be heard by the courts of England, the Issuer and the Noteholders irrevocably agree that the courts of England shall have exclusive jurisdiction to hear and determine any such Dispute(s) and, for such purposes, irrevocably submit to the jurisdiction of such courts.

(f) Appropriate Forum

For the purposes of Condition 20(e) (*Jurisdiction*), the Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any proceedings (“**Proceedings**”) and agrees not to claim that any such court is an inconvenient or inappropriate forum.

(g) *Service of Process*

The Issuer agrees that the process by which any Proceedings are commenced in England pursuant to Condition 20(e) (*Jurisdiction*) or by which any Proceedings are commenced in the English courts in support of, or in connection with, an arbitration commenced pursuant to Condition 20(b) (*Arbitration*) may be served on it by being delivered to the Ambassador from Montenegro to the Court of St. James's at Embassy of Montenegro, 47 De Vere Gardens, London W8 5AW. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall appoint a further person in England to accept service of process on its behalf. Nothing in this Condition shall affect the right of Noteholders to serve process in any other manner permitted by law.

(h) *Waiver of Immunity*

To the extent that the Issuer may in any jurisdiction in respect of any Proceedings or Dispute be entitled to claim for itself or its assets immunity from jurisdiction, suit, enforcement, execution, attachment (whether in aid of execution of a judgment or an arbitration award, before judgment or award or otherwise) or other legal process, including in relation to the enforcement of any judgment or arbitration award, and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), the Issuer irrevocably consents to the enforcement and execution of any judgment or award and irrevocably agrees not to claim and irrevocably waives such immunity, subject to Condition 20(i) (*Exclusions – Waiver of Immunity*) to the fullest extent permitted by the laws of the jurisdiction.

(i) *Exclusions – Waiver of Immunity*

Notwithstanding any of the provisions of Condition 20(h) (*Waiver of Immunity*), the Issuer does not waive any immunity in respect of any present or future (i) “premises of the mission” as defined in the Vienna Convention on Diplomatic Relations signed in 1961, (ii) “consular premises” as defined in the Vienna Convention on Consular Relations signed in 1963, (iii) military property or military assets of Montenegro relating to any of the assets referred to in the foregoing sub-paragraphs (i) and (ii), (iv) property, weapons, equipment and funds serving the purpose of state security and defence, (v) assets that are non-tradable (*res extra commercium*), natural resources and goods in general use, and (vi) receivables of Montenegro on the basis of taxes, contributions and customs.

SCHEDULE 4

Provisions for Meetings of Noteholders

1. Interpretation

Terms defined in the Conditions and not otherwise defined in this Schedule 4 shall have the meanings set out in the Conditions. In addition, the following expressions have the following meanings:

"Chairman" means, in relation to any Meeting, the individual who takes the chair in accordance with paragraph 10 (Chairman);

"Form of Proxy" means, in relation to any Meeting, a document in the English language available from the Registrar (or the Fiscal Agent on its behalf) signed by a Noteholder or, in the case of a corporation, executed under its seal or signed on its behalf by a duly authorised officer and deposited with or delivered to the Registrar (or the Fiscal Agent on its behalf) not later than 48 hours before the time fixed for such Meeting, appointing a named individual or individuals to vote in respect of the Notes held by such Noteholder;

"Proxy" means, in relation to any Meeting, a person appointed to vote under a Form of Proxy other than any such person whose appointment has been revoked and in relation to whom the Registrar (or the Fiscal Agent on its behalf) has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such Meeting;

"Voter" means, in relation to any Meeting, (a) a Proxy or (b) (subject to paragraph 8 (Record Date) below) a Noteholder; provided, however, that (subject to paragraph 8 (Record Date) below) any Noteholder which has appointed a Proxy under a Form of Proxy shall not be a **"Voter"** except to the extent that such appointment has been revoked and the Registrar (or the Fiscal Agent on its behalf) has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such Meeting;

"24 hours" means a period of 24 hours including all or part of a day upon which banks are open for business in both the places where the relevant Meeting is to be held and in each of the places where the Agents have their Specified Offices (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid; and

"48 hours" means two consecutive periods of 24 hours.

2. Issue of Forms of Proxy

Any holder of a Note may obtain an uncompleted and unexecuted Form of Proxy from the Registrar (or the Fiscal Agent on its behalf).

3. References to Blocking/Release of Notes

Where Notes are represented by Global Notes and/or are held within a clearing system, references to the blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of such clearing system.

4. Validity of Forms of Proxy

Forms of Proxy shall be valid only if they are deposited at or delivered to the Specified Office of the Registrar (or the Fiscal Agent on its behalf), or at some other place approved by the Registrar (or the Fiscal Agent on its behalf), at least 48 hours before the time fixed for the relevant Meeting or the Chairman decides otherwise before the Meeting proceeds

to business. If the Issuer requires, satisfactory proof of the identity of each Proxy named in each Form of Proxy shall be produced at the Meeting. The Registrar (or the Fiscal Agent on its behalf) shall not be obliged to investigate the validity of any Form of Proxy or the authority of any Proxy.

5. **Voting by Show of Hands and Poll**

- 5.1.1 Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) which he may have as a Noteholder or as a proxy or representative.
- 5.1.2 At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, the Issuer or by one or more persons holding Notes or being proxies (whatever the principal amount of the Notes so held or represented by him), a declaration by the chairman that a resolution has been carried by a particular majority or lost or not carried by any particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 5.1.3 If at any meeting a poll is so demanded, it shall be taken in such manner and (subject as provided below) either at once or after such an adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuation of the meeting for the transaction of any business other than the question on which the poll has been demanded.
- 5.1.4 Any poll demanded at any meeting on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.
- 5.1.5 The Issuer shall not be entitled to vote in respect of Notes beneficially owned by or on behalf of it but this shall not prevent any proxy or representative from being a director, officer or representative of, or otherwise connected with, the Issuer.
- 5.1.6 Subject as provided in sub-paragraph 5.1.5 above, at any meeting (a) on a show of hands every person who is present in person and is a Noteholder or is a proxy or representative shall have one vote and (b) on a poll every person who is so present shall have one vote in respect of EUR1,000 in principal amount of each Note so held or owned or in respect of which he is a proxy or representative. Without prejudice to the obligations of proxies, any persons entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

6. **Electronic Consent**

While any Global Note is held on behalf of a relevant Clearing System, then:

- 6.1 approval of a resolution proposed by the Issuer given by way of electronic consent communicated through the electronic communications systems of the relevant Clearing System(s) in accordance with their operating rules and procedures (i) by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders under this Agreement or (ii) (where such holders have been given at least 21 days' notice of such resolution) by or on behalf of:

- (a) in respect of a proposal that falls within Conditions 14(b)(ii) and 14(b)(iii), the persons holding at least 75 per cent. of the aggregate principal amount of the outstanding Notes in the case of a Reserved Matter or more than 50 per cent. of the aggregate principal amount of the outstanding Notes, in the case of a matter other than a Reserved Matter;
- (b) in respect of a proposal that falls within Conditions 14(c)(ii) and 14(c)(iii), the persons holding at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate);
- (c) in respect of a proposal that falls within Conditions 14(d)(ii) and 14(d)(iii), (x) the persons holding at least 66% per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate); and (y) the persons holding more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually),

(in the case of (i) and (ii), each an **"Electronic Consent"**) shall, for all purposes (including Reserved Matters) take effect as (i) a Single Series Extraordinary Resolution (in the case of (a) above), (ii) a Multiple Series Single Limb Extraordinary Resolution (in the case of (b) above) or (iii) a Multiple Series Two Limb Extraordinary Resolution (in the case of (c) above), as applicable, and shall be binding on all relevant Noteholders whether or not they participated in such Electronic Consent; and

6.2 where Electronic Consent has not been sought, for the purposes of determining whether a Written Resolution has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by accountholders in the Clearing System with entitlements to any Global Note or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer has obtained commercially reasonable evidence to ascertain the validity of such holding and has taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. As used in this sub-paragraph 6.2, **"commercially reasonable evidence"** includes any certificate or other document issued by the relevant Clearing System or any Alternative Clearing System, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

7. **Publication**

The Issuer will publish all notices and other matters required to be published pursuant to the above provisions:

- (a) on www.mif.gov.me/en/library;

- (b) through the relevant Clearing Systems; and
- (c) in such other places and in such other manner as may be required by applicable law or regulation.

8. Record Date

The record date in relation to any proposed modification or action in respect of the Notes shall be fixed by the Issuer in accordance with Condition 14(a)(vi). In the case of any Meeting, the record date in respect of such Meeting shall be communicated to Noteholders in the Notice convening such Meeting sent pursuant to Condition 14(a)(iv) and shall comply with the requirements of Condition 14(a)(iv)(C). The person in whose name a Note is registered in the Register on the record date at close of business in the city in which the Registrar has its Specified Office shall be deemed to be the holder of such Note for the purposes of such Meeting and notwithstanding any subsequent transfer of such Note or entries in the Register.

9. Convening of Meeting and Notices

A Meeting may be convened by the Issuer subject to and in accordance with Condition 14(a)(i). A Meeting shall be convened by the Issuer or the Fiscal Agent at the request of one or more Noteholders subject to and in accordance with Condition 14(a)(ii).

Notice of any Meeting convened in accordance with the foregoing shall be delivered by the Issuer or the Fiscal Agent in accordance with Condition 14(a)(i) or (ii), as the case may be. Each such notice will specify the following:

- (a) the matters described in Condition 14(a)(iv);
- (b) that Notes may be blocked in clearing systems for the purposes of appointing Proxies until 48 hours before the time fixed for the Meeting;
- (c) that Noteholders may also appoint Proxies by executing and delivering a Form of Proxy to the Specified Office of the Registrar (or the Fiscal Agent on its behalf) until 48 hours before the time fixed for the Meeting; and
- (d) such additional information (if any) as the Issuer shall consider appropriate for the purposes of the Meeting.

10. Chairman

An individual (who may, but need not, be a Noteholder) nominated in writing by the Issuer may take the chair at any Meeting but, if no such nomination is made or if the individual nominated is not present within 15 minutes after the time fixed for the Meeting, those present shall elect one of themselves to take the chair, failing which the Issuer may appoint a Chairman.

11. Participation

The following may attend and speak at a Meeting:

- (a) Voters;
- (b) representatives of the Issuer and the Registrar (or of the Fiscal Agent on its or their behalf);
- (c) the financial advisers of the Issuer;

- (d) the legal counsel to the Issuer and the Registrar (or to the Fiscal Agent on its or their behalf);
- (e) for the purposes of Condition 14(c) (*Multiple Series Aggregation – Single limb voting*) and/or Condition 14(d) (*Multiple Series Aggregation – Two limb voting*), if applicable, the relevant Calculation Agent and Aggregation Agent; and
- (f) any other person approved by the Meeting.

12. **Validity of Votes by Proxies**

Any vote by a Proxy in accordance with the relevant Form of Proxy shall be valid even if such Form of Proxy or any instruction pursuant to which it was given has been amended or revoked, provided that the Registrar (or the Fiscal Agent on its behalf) has not been notified in writing of such amendment or revocation by the time which is 48 hours before the time fixed for the relevant Meeting.

13. **Adjourned Meetings**

A Meeting may (with the consent of the Issuer in the case of a Meeting convened at the request of the Noteholders) be adjourned in the following circumstances:

- (a) (except in the case of a Multiple Series Single Limb Extraordinary Resolution) if there is not present at the Meeting within 15 minutes from the time initially fixed for the Meeting one or more Voters representing or holding Notes in an amount sufficient to pass, in relation to the Notes, the Extraordinary Resolution proposed for adoption at that Meeting;
- (b) (in the case of a Multiple Series Single Limb Extraordinary Resolution) if there is not present at the Meeting within 15 minutes from the time initially fixed for the Meeting one or more Voters representing or holding at least 25 per cent. of the Notes; or
- (c) if the Chairman is directed to do so by the Meeting.

Any adjournment in the circumstances described in paragraph (a) and (b) above shall be for such period (which shall be not less than 14 days and not more than 42 days) and at such time and place as the Chairman determines, provided however that no Meeting may be adjourned more than once in such circumstances. Any adjournment in the circumstances described in paragraph (c) above shall be for such period and to such time and place as the Meeting determines.

No business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place. The chairman of an adjourned Meeting need not be the same person as the chairman of the original Meeting.

At least 10 days' notice of a Meeting adjourned in the circumstances described in paragraph (a) and (b) above shall be given in the same manner as for an original Meeting. No notice need, however, otherwise be given of an adjourned Meeting.

References in this Agreement or the Conditions to any "Meeting" shall include any Meeting held following an adjournment in accordance with this paragraph 13.

14. **Powers**

A Meeting shall have power (exercisable in accordance with the Conditions), without prejudice to any other powers conferred on it or any other person:

- (a) to approve any Reserved Matter, which, if proposed by the Noteholders, is also approved by the Issuer;
- (b) to approve any other proposal by the Issuer for any modification, abrogation, variation or compromise of any of the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
- (c) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes (except for any breach or proposed breach which constitutes an Event of Default under the Notes which may only be rescinded by written notice from holders of at least 50 per cent. in aggregate principal amount of outstanding Notes in accordance with Condition 12 (*Events of Default*));
- (d) to authorise the Registrar (or the Fiscal Agent on its behalf) or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution; and
- (e) to give any other authorisation or approval which is required to be given by Extraordinary Resolution.

15. **Effectiveness of Extraordinary Resolution**

A Single Series Extraordinary Resolution shall be deemed to have been passed when approved by a majority of (A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes or (B) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate principal amount of the outstanding Notes.

A Multiple Series Single Limb Extraordinary Resolution shall be deemed to have been passed when approved by a majority of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate). The passing of a Multiple Series Single Limb Extraordinary Resolution shall not be dependent on any particular percentage of Noteholders attending the relevant Meeting (but without prejudice to the provisions of paragraph 13(b) above) nor voting in favour of the Multiple Series Single Limb Extraordinary Resolution.

A Multiple Series Two Limb Extraordinary Resolution shall be deemed to have been passed when approved by (a) at least 66⅔ per cent. of the aggregate principal amount of the outstanding debt securities of affected series of Debt Securities Capable of Aggregation (taken in aggregate) and (b) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

Subject to the Conditions, an Extraordinary Resolution shall be binding upon all Noteholders, whether or not they attended or were represented at such Meeting or voted in favour of such resolution, and each of the Noteholders shall be bound to give effect to it accordingly. Subject to paragraph 17 (Aggregation), notice of the result of every vote on an Extraordinary Resolution shall be given to the Noteholders and the Agents by the Issuer within 14 days of the conclusion of the Meeting.

16. **Minutes**

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be prima facie evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have

been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

17. **Aggregation**

In accordance with Conditions 14(c) (*Multiple Series Aggregation – Single limb voting*) and 14(d) (*Multiple Series Aggregation – Two limb voting*), a Meeting may be convened in respect of two or more series of Debt Securities Capable of Aggregation, including the Notes. If such a Meeting is convened, the Chairman shall document the result of the vote in a form reasonably requested by the Aggregation Agent (the "**Declaration Document**") for the purposes of the Aggregation Agent determining whether or not the relevant Extraordinary Resolution has been passed. The Chairman shall provide the Declaration Document to the Issuer and the Aggregation Agent as soon as reasonably practicable following conclusion of the Meeting and in any event within 14 days of the conclusion of the Meeting.

If the Issuer is required to appoint an Aggregation Agent in accordance with Condition 15 (*Aggregation Agent; Aggregation Procedures*), such appointment and the terms of such appointment will be confirmed with the Aggregation Agent prior to confirmation of the identity of such Aggregation Agent being contained in a notice convening a Meeting.

18. **Terms and Conditions**

The provisions of Condition 14 (*Meetings of Noteholders; Written Resolutions*) and Condition 15 (*Aggregation Agent; Aggregation Procedures*) shall be deemed to be incorporated into this Schedule 4 in their entirety. If there is any conflict, the provisions of Condition 14 (*Meetings of Noteholders; Written Resolutions*) and Condition 15 (*Aggregation Agent; Aggregation Procedures*) shall prevail.

SCHEDULE 5

Form of Regulation S Transfer Certificate

**STATE OF MONTENEGRO (REPRESENTED BY THE GOVERNMENT OF MONTENEGRO,
ACTING BY AND THROUGH ITS MINISTRY OF FINANCE) (the "Issuer")**

EUR 500,000,000 2.550 per cent. Notes due 2029 (the "Notes")

Reference is hereby made to the Fiscal Agency Agreement (the "**Agency Agreement**") dated 3 October 2019 between the Issuer and the other parties named therein. Capitalised terms used but not defined herein shall have the meanings given to them in the Agency Agreement. Other terms shall have the meaning given to them in Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**").

[NOTE: INSERT [A] FOR TRANSFERS OF NOTES EVIDENCED BY NOTE CERTIFICATES BEARING THE SECURITIES ACT LEGEND TO TRANSFEREES THAT TAKE DELIVERY IN NOTE CERTIFICATES NOT BEARING THE SECURITIES ACT LEGEND. INSERT [B] FOR TRANSFERS OF INTERESTS IN NOTES EVIDENCED BY THE RESTRICTED GLOBAL NOTE TO TRANSFEREES THAT TAKE DELIVERY IN NOTE CERTIFICATES NOT BEARING THE SECURITIES ACT LEGEND.]

[A] This letter relates to EUR [●] principal amount of Notes registered in the name of [insert name of transferor] (the "**Transferor**") and evidenced by individual definitive Note Certificates. The Transferor has requested a transfer or exchange of such Notes for individual definitive Note Certificates registered in the name of [*insert name of transferee*] (the "**Transferee**").

[B] This letter relates to EUR [●] principal amount of Notes which are held in the form of an interest in the Notes evidenced by the Restricted Global Note (ISIN XS2051494065 Common Code 205149406) with [Euroclear][Clearstream, Luxembourg] in the name of [*insert name of transferor*] (the "**Transferor**"). The Transferor has requested a transfer or exchange of such interest for individual definitive Note Certificates registered in the name of [insert name of transferee] (the "**Transferee**").

In connection with such request and in respect of such Notes, the Transferor does hereby certify that (i) such transfer has been effected in accordance with the transfer restrictions set forth in the Agency Agreement and the Notes and in accordance with any applicable securities laws of any state of the United States and any other jurisdiction and (ii) such transfer has been effected pursuant to and in accordance with Regulation S, for the purposes of which the Transferor certifies that:

(1) the offer of the Notes was not made to a person in the United States;

[(2) at the time the buy order was originated, the Transferee was outside the United States or the Transferor and any person acting on its behalf reasonably believed that the Transferee was outside the United States;]**

[(2) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the Transferor nor any person acting on its behalf knows that the transaction was pre-arranged with a buyer in the United States;]**

(3) no directed selling efforts have been made in contravention of the requirements of Regulation S;

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and

** Insert one of these two provisions, which are derived from the definition of "offshore transaction" in Regulation S.

(5) if the undersigned is an officer or director of the Issuer, or a distributor or any affiliate of the Issuer, such sale is made in accordance with the applicable provisions of Regulation S.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer.

[Name of Transferor]

By:

Authorised Signature

[Date]

SCHEDULE 6

Form of Rule 144A Transfer Certificate

STATE OF MONTENEGRO (REPRESENTED BY THE GOVERNMENT OF MONTENEGRO, ACTING BY AND THROUGH ITS MINISTRY OF FINANCE) (the "Issuer")

EUR 500,000,000 2.550 per cent. Notes due 2029 (the "Notes")

Reference is hereby made to the Fiscal Agency Agreement (the "**Agency Agreement**") dated 3 October 2019 between the Issuer and the other parties named therein. Capitalised terms used but not defined herein shall have the meanings given to them in the Agency Agreement.

[NOTE: INSERT [A] FOR TRANSFERS OF INTERESTS IN NOTES EVIDENCED BY THE RESTRICTED GLOBAL NOTE TO TRANSFEREES THAT TAKE DELIVERY IN NOTE CERTIFICATES BEARING THE SECURITIES ACT LEGEND. INSERT [B] FOR TRANSFERS OF INTERESTS IN NOTES EVIDENCED BY THE UNRESTRICTED GLOBAL NOTE TO TRANSFEREES THAT TAKE DELIVERY IN INTERESTS IN THE NOTES EVIDENCED BY THE RESTRICTED GLOBAL NOTE]

[A] This letter relates to EUR [●] principal amount of Notes which are held in the form of an interest in the Notes evidenced by the Restricted Global Note (ISIN XS2051494065 Common Code 205149406) with [Euroclear][Clearstream, Luxembourg] in the name of [insert name of transferor] (the "**Transferor**"). The Transferor has requested a transfer or exchange of such Notes for individual definitive Note Certificates registered in the name of [insert name of transferee] (the "**Transferee**").

[B] This letter relates to EUR [●] principal amount of Notes which are held in the form of an interest in the Notes evidenced by the Unrestricted Global Note (ISIN XS2050982755 Common Code 205098275) with [Euroclear][Clearstream, Luxembourg] in the name of [insert name of transferor] (the "**Transferor**"). The Transferor has requested a transfer of such interest for an interest evidenced by the Restricted Global Note (ISIN XS[●] Common Code [●]) held with [Euroclear][Clearstream, Luxembourg] in the name of [insert name of transferee] (the "**Transferee**").

In connection with such request and in respect of such Notes, the Transferor does hereby certify that (i) such transfer has been effected in accordance with the transfer restrictions set forth in the Agency Agreement and the Notes and in accordance with any applicable securities laws of any state of the United States and any other jurisdiction and (ii) such transfer has been effected pursuant to and in accordance with Rule 144A under the U.S. Securities Act of 1933, as amended ("**Rule 144A**"), for the purposes of which the Transferor certifies that:

- (1) the Transferor and any person acting on its behalf reasonably believe that the Transferee is purchasing for its own account or accounts as to which it exercises sole investment discretion and that such Transferee and each such account is a "qualified institutional buyer" as defined in Rule 144A;
- (2) the purchaser is aware that the sale to it is being made in reliance upon Rule 144A; and
- (3) such transaction meets the requirements of Rule 144A and is in accordance with any applicable securities laws of any State of the United States and any other relevant jurisdiction.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer.

[Name of Transferor]

By:

Authorised Signature

[Date]

SCHEDULE 7

Regulations Concerning the Transfer and Registration of the Notes

1. Each Note shall be in the minimum denomination of EUR 100,000. Note Certificates, each evidencing entitlement to one or more Notes, shall be issued in accordance with the Conditions.
2. The Notes are transferable by execution of the form of transfer on each Note Certificate endorsed under the hand of the transferor or, where the transferor is a corporation, under its common seal or under the hand of two of its officers duly authorised in writing. In this Schedule "transferor" shall where the context permits or requires include joint transferors and be construed accordingly.
3. The Note Certificate issued in respect of the Notes to be transferred must be delivered for registration to the office of a Paying Agent and Transfer Agent accompanied by such other evidence (including certificates and/or legal opinions) as such Paying Agent and Transfer Agent may reasonably require to prove the title of the transferor or his right to transfer the Notes and his identity and, if the form of transfer is executed by some other person on his behalf or in the case of the execution of a form of transfer on behalf of a corporation by its officers, the authority of that person or those persons to do so. The signature of the person effecting a transfer of a Note shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Agent may require.
4. The executors or administrators of a deceased holder of the Notes (not being one of several joint holders) and, in the case of the death of one or more of joint holders, the survivor or survivors of such joint holders shall be the only persons recognised by the Issuer as having any title to such Notes.
5. Any person becoming entitled to the Notes in consequence of the death or bankruptcy of the holder of such Notes may, upon producing such evidence that he holds the position in respect of which he proposes to act under this paragraph or of his title as the Paying Agent and Transfer Agent shall require (including certificates and/or legal opinions), be registered himself as the holder of such Notes or, subject to the preceding paragraphs as to transfer, may transfer such Notes. The Issuer and the Agents may retain any amount payable upon the Notes to which any person is so entitled until such person shall be so registered or shall duly transfer the Notes.
6. Unless otherwise requested by him and agreed by the Issuer, a holder of the Notes shall be entitled to receive only one Note Certificate in respect of his holding.
7. The joint holders of a Note shall be entitled to one Note Certificate only in respect of their joint holding which shall, except where they otherwise direct, be delivered to the joint holder whose name appears first in the Register in respect of the joint holding.
8. The Issuer and the Paying Agent and Transfer Agent shall make no charge to the holders for the registration of any holding of the Notes or any transfer of the Notes or for the issue of any Note Certificates or for the delivery of Note Certificates at the Specified Office of the Agent to whom the request for registration, transfer or delivery was delivered or by uninsured post to the address specified by the holder. If any holder entitled to receive a Note Certificate wishes to have it delivered to him otherwise than at the Specified Office of such Agent, such delivery shall be made upon his written request to such Agent, at his risk and (except where sent by uninsured post to the address specified by the holder) at his expense.
9. The Paying Agent and Transfer Agent will within three business days (as defined in Condition 8(h) (*Business Days*)) of receipt of a request to effect a transfer of a Note (or

within 21 days if the transfer is of a Note evidenced by a Global Note) deliver at its Specified Office to the transferee or despatch by mail (at the risk of the transferee) to such address as the transferee may request, a new Note Certificate in respect of the Notes transferred. In the case of a transfer of fewer than all the Notes in respect of which an Note Certificate is issued, a new Note Certificate in respect of the Notes not transferred will be so delivered to the holder to its address appearing on the Register.

10. Unless there is delivered to a Paying Agent and Transfer Agent such satisfactory evidence, which may include an opinion of legal counsel, as may be reasonably required by the Issuer, that neither the Securities Act Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act, in accordance with applicable laws, all Notes or Note Certificates, as the case may be, issued in replacement for or on exchange or transfer of the Notes or Note Certificates, as the case may be, bearing the Securities Act Legend, will bear such legend.
11. Unless and until otherwise determined by the Issuer, in accordance with applicable law, all Notes or Note Certificates issued in substitution for or on exchange or transfer of the Notes or Note Certificates, as the case may be, that do not bear the Securities Act Legend will not bear such Legend.
12. Notwithstanding any other provisions of this Agreement, the Registrar shall register the transfer of any Notes only upon presentation of an executed and duly completed form of transfer substantially in the form set forth in the form of Global Note in Schedule 2 to the Agency Agreement together with any other documents thereby required.
13. The Registrar and Transfer Agent may promulgate any other regulations that they may deem necessary for the registration and transfer of the Notes.

This Agreement has been entered into on the date stated at the beginning.

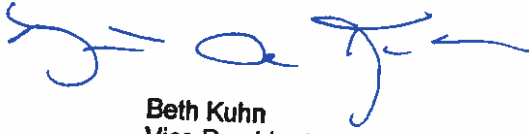
**STATE OF MONTENEGRO (REPRESENTED BY THE GOVERNMENT OF MONTENEGRO,
ACTING BY AND THROUGH ITS MINISTRY OF FINANCE)**

By: *DARKO RADUHOVIĆ*
MINISTER OF FINANCE



Citibank, N.A., London Branch (as Fiscal Agent, Transfer Agent and Paying Agent)

By:

A handwritten signature in blue ink, appearing to read 'Beth Kuhn', with a long horizontal stroke extending to the right.

Beth Kuhn
Vice President

Citigroup Global Markets Europe AG (as Registrar)

By:

By:

A large, stylized handwritten signature in black ink, appearing to be 'Gabriele Fisch', written over the printed name.

Gabriele Fisch

A handwritten signature in black ink, appearing to be 'Lothar Schäfer', written above the printed name.

Lothar Schäfer